Zululand
District Municipality

BUDGET AND SUPPORTING DOCUMENTATION
2026-2027

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GLOSSARY

Adjustment Budgets – it is the formal means by which a municipality may revise its budget during a financial year. Prescribed in section 28 of the Municipal Finance Management Act.
Allocations– money received from Provincial or National Government or other municipalities.
AFS – Annual Financial Statements.
Budget – the financial plan of the municipality.
Budget related policy – policy of a municipality affecting or affected by the budget.
Capital Expenditure – spending on municipal assets such as land, buildings, distribution networks, treatment plants and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.
Cash Flow Statements – a statement showing when actual cash will be received and spent by the municipality, and the month end balances of cash and short term investments. Cash receipts and payments do not always coincide with budgeted income and expenditure timings.
CFO – Chief Financial Officer
DORA – Division of Revenue Act. An annual legislation indicating the allocations from National Government and Provincial Government
DWAF – Department of Water Affairs
EPWP – Expanded Public Works Program
Equitable Share – a general grant paid to municipalities. It is predominantly targeted to assist with free basic services.
FMG – Financial Management Grant
Fruitless and wasteful expenditure – expenditure that was made in vain and would have been avoided had reasonable care been exercised
GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared
MSCOA – Municipal Standard Chart of Accounts
IDP –Integrated Development Plan. The main strategic planning document of a municipality
KPI – Key Performance Indicators. Measures of service output and/or outcome
LED – Local Economic Development
MFMA – Municipal Finance Management Act (No. 53 of 2003). The principal piece of legislation relating to municipal finance management
MIG – Municipal Infrastructure Grant
MSIG – Municipal Systems Improvement Grant
WSIG – Water services Infrastructure Grant
MTREF – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level. Also includes details of the previous three years and current years' financial position.
MWIG – Municipal Water Infrastructure Grant
Operating Expenditure – spending on the day to day expenses of a municipality such as general expenses, salaries & wages, and repairs & maintenance

R & M – Repairs and Maintenance
SCM - Supply Chain Management
SSBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget statements
Strategic Objectives - the main priorities of a municipality as set out in the IDP Budget spending must contribute towards achievement of these strategic objectives
Unauthorized Expenditure – generally spending without or in excess of an approved budget
Virement – transfer of budget
ZDM – Zululand District Municipality
NFS – National skills fund

PART 1 – ANNUAL BUDGET

1.1 MAYOR'S REPORT

BUDGET FOREWORD BY ZULULAND DISTRICT MAYOR, CLLR MB KHUMALO

Makhansela ahloniphekile
Speaker of the House
Deputy mayor
Acting MM
HODs
Distugush guest
Ngiyathobeka ukucosha lelithuba
Angiphinde nginibingelele

This is the last but one month before we close our financial year of 2025-2026.
It has been a bumpy road and a smooth one as well. Gloom and despondence of financial instability have always been our adversity.

We have had a great success on the roadshows held in all 5 local municipalities.
Abantu balwemukele ngentokozo uhlahlo-mali ebesibethulela lona. Noma kuvela ukungaqondisisi kahle okusuke lulindeleke kubo, kepha siyathobeka.

Kukho konke, akukho okungithobise njengokubona ubunye kanye nobukhona bamakhansela omkhandlu.
I can safely say without fear of any contradictions that we have displayed oneness, respect and professionalism of note.
The budget we were presenting was as a result of forecasting and anticipated favourable revenue projections.
The price tag for the change we want, was the truth I boldly made open against this year being the election year.
Ngikubalulile ukubaluleka koku-install ama-watermetres in about 25 000 household.
Painful as it was, I conferred a 10 percent increase in terrify; laid bare the ever-increasing debt to creditors.
Kokhe lokhu ngikwenza ngi-very mindful ukuthi unyaka wokhetho abanye bazokhakasa ngakho for the 4th of November.
Kimi makhansela it's about what we did during our term of office ukuguqula izimpilo zabantu.
Ukuze iZululand yakusasa ibengcon kuneyayizolo.
Noma ngiyawina or ngiyawina … ngifisa abantu baseZululand bebe nomkhandlu onozinzo.
I have been tasked to steering this sheep of service delivery through integrity
I intend to do as much if not more. I am dutybound to make a call for change.

The conditions in our means-end to supplying water is very heartbreaking. Many of our Water Treatment schemes, Boreholes and Hand Pumps require more from us than what is currently being done. Ngiyaqonda ukuthi konke kuding'imali. however
We must fix this and fix it now. I hereby demand that from now to October we get all these schemes into proper being.
I demand as much from all the projects which are due for handover to be given to people just as much as those which are for soil-turning.

Abantu kumele bazi ukuthi asihlezi kepha siyabasebenzela ngokwethembeka Kanjalo-nje futhi singahlezi Sikhala ngezinkinga. Zona yebo zikhona, kepha thina sithunywe izixazululo.
We must show sense of readiness and proper planning, ikakhulukanzi kuma-events noma-ke ezinhlelweni esesizikhulumile emiphakathini ezisasalele.
Ngiyabonga ukubona i-Ultra marathon ibeyimpumelelo kanjalo nesicathamiya.
Uhlahlo mali lwethu belukhombisa ithemba nezinguquko ezinhle. Kepha izinga lwezenzo must tie the level of planning.

We have projected about 1.6 billion which was reported with a decrease of 2 percent.

Total revenue	: 1 631 047 653
Operating budget	: 870 563 653
Capital budget	: 760 484 000
Operating Expenses	: 592 608 391
Contribution to capital	: 661 377 391
Total budget expenditure	: 1 253 986 030

The total budgeted revenue has remained at R1.6 billion from the draft budget.
The reduction is on total expenditure which has decreased from R 1.5 billion to R1.2 billion from draft budget.
Lokhu Makhansela omkhandlu kusiphoqa ukwehlisa izindleko zemihla-ngemihla ngemali elinganiselwa ku- R 270 880 378

The reason for the decrease results from the following

- The municipality tabled the draft budget in March and was submitted to Treasury
- The municipality had engagement with Provincial Treasury, the budget of the municipality was assessed to be unfunded by R270 million.

The municipality operating budget has been reduced by R270 million.
We must guard-against any triggers of adverse impact to the change we want.

Asifune izizindamnotho ezithe ukusabalala ngaphezu-nje kwama-grants.
Okokuqala udaba lwe-indegent register. Ngiyafisa singabe sisalukhuluma kodwa silwenze.
We must also ensure that those whom which are counted amongst the potential rates payers are correctly recorded. If any updates of information are necessary, we must do so.

That is our only hope and prospect for restructuring this municipality for excellence.

Makhensela omkhandlu, Kusenomsebenzi omningi okumele siwenze.
Simelwe uhlelo lwenxoxo with unemployed graduates, esihlonze ngalo okuthola izixazululo sokwesweleka kwamathuba emisebenzi.
Simelwe i-Prince Mangosuthu Legacy Cup

- Ukukhuliswa kwezinsizwa
- Umkhosi womhlanga
- Scholar transport
- O-Anti
- umjaho wamahhashi
- uKhisimuzi wogogo and matric exam prayer

Kanjalo kanye nama-Projects: kunalawo okumele siwa-hand over ngoba asephelile. Kanjalo futhi kunalawo okumele siyophendula khona isoyi.
List of completed projects
Project Name
Gumbi Water Supply Scheme Upgrade (R 47 897 697) @ Phongala LM KU-WARD 14
Nzondwane Domestic Reticulation Zone I3 (R 46 276 313) @Nongoma ward 22
Nhlohlela Water Supply (36 889 161) @ uLundi LM KU-ward 2
Simdlangentsha East Water Supply Phase 2 (Replacement of Rising Main Line within Pongola WTW) uPhongolo LM ward 11

Bathembisile emabhukwini phecelezi financial statements and or budget statements okuthi irevenue ingase yenyuke ngenxa yalezizinqumo ezinzima futhi obekumele sizithathe.

Kakhulukazi we must ensure the implementation of the resolutions of the strategic planning designed for changing our municipality for excellence.
akumele nalokhu esikwaziyo nesifinyelelayo ukukwenza singakwenzisisi.
Abantu esibakweleta izimali ezincane asibakhokhele.
Payment plans must be observed, kungabi engathi sesenza ngenhloso ukuhlazisa nokucindezela umkhandlu.
Asihlezi sikhumbula ukuthi, ungowethu nathi singowawo.

We are forever indebted to the sacrifices made by our predecessors!!!
We are forever indebted to the sacrifices made by
Prince Magosuthu Buthelezi,Nelson Mandela
King wZwelithini kaBhekuzulu
Akumele sikhohlwe umoya wokhokho.
Futhi akumele sikhohlwe igazi elaphala kulwelwa inkululeko.
Amakholwa athi sathengwa ngenani eliphezulu, sathengwa ngeGazi Lemvana.
Nathi kunemifula yegazi lokhokho abakhetha ukumbatha ingubo yomhlabathi ukuze sikhululeke.
After 343 years of all forms of slavery, asibe yimbumba, sibemunye kanjalo sibe yiNkatha

Ngiyazi nivumelana nami, mangithi united we stand and divided we fall. Lokho kushukuthi siyonqoba uma simunye.

Ngalamazwi ngithi nansi i-Budget asiyemukele.

1.2 COUNCIL RESOLUTIONS

The council resolves that:

That in terms of section 24 of the Municipal Finance Management Act 56 of 2003, the Annual budget of the municipality for the financial year 2026/27 and indicative allocations for the two projected outer years 2027/28 and 2028/29 be approved as set-out in the following tables:

- Table A1 Budget Summary.
- Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification).
- Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote).
- Table A4 Budgeted Financial Performance (revenue and expenditure).
- Table A5 Budgeted Capital expenditure by vote, standard classification and funding.

That the financial position, cash flow, cash backed reserve/accumulated surplus, asset management and basic delivery targets are adopted as set out in the following tables:

- Table A6 Budgeted Financial Position.
- Table A7 Budgeted Cash Flows
- Table A8 Cash backed reserves/accumulated surplus reconciliation
- Table A9 Asset Management
- Table A10 Basic service delivery measurements

The Municipal Manager to be authorized to proceed with the procedure as stipulated in the MFMA and in terms of the guidelines stipulated by the Minister in terms of Section 168(1) of the Act.

The grants be accepted and approved with appreciation.

The Quality Certificate be approved.

The schedule of tariffs be approved as budgeted.

That the budget related policies be implemented with amendments.

The Municipal staff structure be reviewed for approval.

The National Treasury Draft budget feedback assessment be noted.

The Service level standards be adopted.

The Comments from public participation be noted.

The municipal procurement plan be reviewed for approval.

1.3 EXECUTIVE SUMMARY

The municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, projects were priorities according to their necessity while maintaining stable and sound financial. The expenditure was also reviewed to minimise cost while maintaining service delivery.

The municipality has given the revenue enhancement attention, this will assist in maximising revenue, collecting from previous outstanding debtors and make sure the billing is correct, the municipality is in the pursued of sourcing money to fund new meter installation where there were no meters before but there is possibility of capitalising on revenue.

The National Treasury's MFMA Circular No. 132 &134 were used to guide the compilation of the 2026/2027 MTREF.

The following macro-economic forecasts must be considered when preparing the 2026/27 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2025 - 2029

Fiscal year	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Estimate	Forecast		
CPI Inflation	4.4%	3.2%	3.4%	3.3%	3.2%

The municipality is trying to recover from unfunded position, therefore the above guide was not fully utilised because some items are on the funding plan need to be monitored and the municipality is in the process of minimizing cost.

MAIN BUDGET SUMMARY

The Summary of the budget is prepared in terms of the prescribed budget formats, detailing revenue by source type and expenditure type. The summary report indicates the following:

	BUDGET 2026/2027	CHANGE	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029
OPERATING REVENUE	870 563 653		870 563 653	909 663 636	933 371 360
CAPITAL REVENUE	760 484 000		760 484 000	742 784 995	801 116 251
TOTAL BUDGET REVENUE	**1 631 047 653**	**-**	**1 631 047 653**	**1 652 448 631**	**1 734 487 611**
OPERATING EXPENDITURE	864 027 078	222 074 967	641 952 111	610 682 190	637 088 144
CONTRIBUTION TO CAPITAL	661 377 391	49 343 472	612 033 919	665 720 870	717 366 087
TOTAL BUDGET EXPENDITURE EXC. VAT	**1 525 404 470**	**271 418 440**	**1 253 986 030**	**1 276 403 059**	**1 354 454 231**
CAPITAL EXPENDITURE - GRANTS AND TRANSFERS	661 377 391	49 343 472	612 033 919	665 720 870	717 366 087
CAPITAL EXPENDITURE - EXTERNAL LOAN					
CAPITAL EXPENDITURE - INTERNALLT FUNDED					
TOTAL CAPITAL	**661 377 391**		**612 033 919**	**665 720 870**	**717 366 087**
TOTAL REVENUE	**1 631 047 653**	**-**	**1 631 047 653**	**1 652 448 631**	**1 734 487 611**
TOTAL EXPENDITURE	**1 525 404 470**	**271 418 440**	**1 253 986 030**	**1 276 403 059**	**1 354 454 231**

OPERATING SURPLUS(DEFICIT)			
	BUDGET YEAR 2026/2027	**BUDGET YEAR 2027/2028**	**BUDGET YEAR 2028/2029**
OPERATING REVENUE	870 563 653	909 663 636	933 371 360
OPERATING EXPENDITURE	641 952 111	610 682 190	637 088 144
OPERATING SURPLUS	**228 611 542**	**298 981 446**	**296 283 215**

The Municipality is largely dependent on government grants for its operations and the small portion is generated from service charges. The adjustment budget was tabled with budget funding plan which meant the municipality had to move to a funded position in the following financial year which is **2026/2027** as per National Treasury circular 129. The municipality budget is highlighted below which shows the decrease of capital budget and increase in operating budget as compared to **2025/2026** financial year.

The **2026/2027** total revenue budget is **R1.6 billion**, and it has not changed from the draft budget but has shown decrease from **R135 million** from the **2025/2026** budget of **billions of R1.7 million**. This represents an decrease of **8%** from previous.

The reduction is on total expenditure which has decreased from **R 1.5 million draft budget** to **R1.2 million.** The reason for the reduction is that the municipality is trying to ensure that the budget is funded.

Summary of grants allocation

	BUDGET 2026/2027	**BUDGET 2027/2028**	**BUDGET 2028/2029**
FINANCIAL MANAGEMENT GRANT (FMG)	1 500 000	1 600 000	1 800 000
EQUITABLE SHARE	749 176 000	789 763 000	809 375 000
GRANT	5 379 000	-	-
INDOSA GRANT	1 719 000	1 719 000	1 719 000
ENERGY	-	4 000 000	3 000 000
PRINCE MANGOSUTHU AIRPORT GRANT	700 000	800 000	1 000 000
MUNICIPAL INFRASTRUCTURE GRANT (MIG)	272 515 000	304 202 000	314 271 000
WATER SERVICES INFRASTRUCTURE GRANT (WSIG)	115 000 000	150 000 000	135 388 000
RURAL ROAD ASSET MANAGEMENT	2 884 000	2 999 000	3 092 000
REGIONAL BULK INFRASTRUCTURE GRANT (RBIG)	370 085 000	308 278 000	372 120 000

Operating revenue Framework

	BUDGET 2026/2027	CHANGE	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029
Service charges - water revenue	78 508 275		78 508 275	81 099 048	83 694 218
Service charges - sanitation revenue	21 257 884		21 257 884	21 959 394	22 662 095
Rental of facilities	194 624		194 624	201 047	207 480
Interest earned - external investments	8 000 000		8 000 000	8 264 000	8 528 448
Interest earned - outstanding debtors	1 015 466		1 015 466	1 042 000	1 066 056
Fines, penalties and forfeits	400 000		400 000	413 200	426 422
Licences and permits	100 404		100 404	103 717	107 036
Transfers and subsidies	758 474 000		758 474 000	793 882 000	813 894 000
Other revenue	2 613 000		2 613 000	2 699 229	2 785 604
Total operating revenue	**870 563 653**	**-**	**870 563 653**	**909 663 636**	**933 371 360**

The revenue budgets
An increase of 10% is proposed to be affected on Tariffs.
Water tariffs have been determined as follows:

Kilolitres	Percentage increase
0- 6kl	10%
6- 30kl	10%
30-40kl	10%
>40kl	10%

The municipality is providing free 6kl to households that are registered as indigent.
The assumed collection rate based on the current collection level and strategies in place to improve collection is expected to be 60% of billable revenue.

The **2026/2027** Operating Revenue budget is **R870 million**. This represents an increase of **R20 million** or **2%** from **2025/2026** budget of **R850 million**. This net increase is largely attributed to changes in operating revenue sources.

The Equitable share has increased by **R38.7 million** from **R710 million** in **2025/2026** budget to **R749 million** in **2026/2027** budget.

In the **2025/2026** budget the municipality received a grant from the KwaZulu-Natal Amafa and Research Institute amounting to **R200 thousand**, a grant from National Skills Fund amounting to **R12 million** a grant from Local Government Sector Education and Training Authority amounting to **R327 thousand** which are not part of the **2026/2027** budget as per provincial gazette. These grants has effect on budget decrease.

Service charges revenue for water and sanitation have increased by **R31 million** from **R68 million** in 20252026 budget to **R99 million** in **2026/2027** budget. This results from the increase in tariffs, installation of new meters. The new meters to be installed in estimated 25000 household but this was not effected on the budget since it has not materialized . The

tariffs increased by **10%** considering the CPI and the municipality is also trying to move closely to cost effective tariffs gradual without putting much strain on consumer.

The municipality increased all other revenue streams for 2026/27 budget except for the rent where there are tenants that have evacuated the building. This includes interest in investment and outstanding debtors, licenses and permits, fines, penalties and forfeits

Operating Expenditure Framework

	BUDGET 2026/2027	CHANGE	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029
Employees cost	391 589 832	- 7 410 086	384 179 746	391 355 095	403 878 458
Remuneration of councillors	14 283 492	-	14 283 492	14 754 848	15 227 003
Debt impairment	5 580 000	-	5 580 000	5 764 140	5 948 592
Depreciation & asset impairment	91 000 000	-	91 000 000	93 820 134	96 822 378
Finance charges	8 093 000	- 500 000	7 593 000	7 843 569	9 099 143
Inventory consumed	52 295 035	- 41 915 035	10 380 000	10 718 250	11 057 074
Contracted services	145 714 278	- 63 476 089	82 238 189	38 305 575	45 423 426
Transfers and subsidies		200 000	200 000	206 600	213 211
Other expenditure	155 471 441	- 108 973 757	46 497 684	47 731 113	49 230 140
Total expenditure	**864 027 078**	**- 222 074 967**	**641 952 111**	**610 499 324**	**636 899 427**

The **2026/2027** Operating Expenditure budget is **R641 million**. This represents a decrease of **R222 million** or **26%** from **2026/2027** draft budget of **864 million**.

The operating expenditure has actually been reduced by **R271 million** to **R591 million**, however, there has been **R49 million** reallocated to operating expenditure from MIG (capital budget) to operating expenditure. Therefore the net effect is reduction of **R222 million**.

The municipality has adopted the funding plan. The municipality is trying to minimize costs by reviewing all SLAs. The municipality has decided to use internal employees where capacity is available to reduce contracted services.

The salaries have increased due to bargaining council agreement, contracted employees and EPWP employees funded by municipality, however the municipality has reduced the EPWP budget by R7.4 million in trying to make it equal to the budget. The salaries are 67% of the operating budget, which is beyond the norm of 25%-40% set by the National Treasury.

Most of the expenditure line items have decreased as per adherence to the approved funding plan, the plan will be monitored monthly and progress reported to Exco monthly.

Capital Expenditure and Funding

	BUDGET 2026/2027	CHANGE	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029
MUNICIPAL INFRASTRUCTURE	236 969 565	49 260 864	187 708 702	264 523 478	273 279 130
REGIONAL BULK INFRASTRATURE	321 813 043		321 813 043	268 067 826	323 582 609
WATER SERVICES INFRASTRUCTURE	100 000 000		100 000 000	130 434 783	117 728 696
RURAL ROAD ASSET MANAGEMENT	2 507 826		2 507 826	2 607 826	2 688 696
INDONSA GRANT	86 957		86 957	86 957	86 957
TOTAL	**661 377 391**	**49 260 864**	**612 116 528**	**665 720 870**	**717 366 087**

The **2026/2027** Capital Expenditure budget is **R612 million** VAT exclusive. This represents an decrease of **R49 million** or **7%** from **2026/2027** draft budget of **R661 million**.
The amount of R49 million has been reallocated to operating expenditure to fund the maintenance part of MIG.
Circular no. 58 capital grants are reported VAT exclusive, total Capital financing amount to be **R612 million**.
MFMA mSCOA circular number 13 requires that capital expenditure be budgeted exclusively.

	BUDGET 2026/2027	CHANGE	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029
MUNICIPAL INFRASTRUCTURE	236 969 565	49 260 864	187 708 702	264 523 478	273 279 130
REGIONAL BULK INFRASTRATURE	321 813 043		321 813 043	268 067 826	323 582 609
WATER SERVICES INFRASTRUCTURE	100 000 000		100 000 000	130 434 783	117 728 696
RURAL ROAD ASSET MANAGEMENT	2 507 826		2 507 826	2 607 826	2 688 696
INDONSA GRANT	86 957		86 957	86 957	86 957
TOTAL	**661 377 391**	**49 260 864**	**612 116 528**	**665 720 870**	**717 366 087**

Capital Expenditure VAT inclusive

	BUDGET 2026/2027	CHANGE	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029
MUNICIPAL INFRASTRUCTURE	272 515 000	56 649 993	215 865 007	304 202 000	314 271 000
REGIONAL BULK INFRASTRATURE	370 085 000		370 085 000	308 278 000	372 120 000
WATER SERVICES INFRASTRUCTURE	115 000 000		115 000 000	150 000 000	135 388 000
RURAL ROAD ASSET MANAGEMENT	2 884 000		2 884 000	2 999 000	3 092 000
INDONSA GRANT	100 000		100 000	100 000	100 000
TOTAL	**760 584 000**	**56 649 993**	**703 934 007**	**765 579 000**	**824 971 000**

VAT on capital grants amount to **R760 million** in 2026/2027 financial year from **R 863 million** in 2025/2026, this results from measure change in RBIG allocation in 2025/2026 to 2026-2027.
There has been a portion amounting to **R56 million** allocated to Maintenance of infrastructure that is operating expenditure.

FINANCIAL POSITION

	BUDGET 2026/2027	CHANGE	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029
Current Assets	602 083 559	314 466 655	916 550 214	1 408 750 542	1 909 442 812
Non current Asset	6 582 723 145	- 49 343 475	6 533 379 670	6 491 255 597	6 444 079 907
Current Liabilities	720 949 458	- 79 401 232	641 548 226	646 867 109	652 356 199
Non current Liabilities	147 413 574	769 422 042	916 835 616	912 286 392	909 162 949
Accumulated surplus	6 316 443 672	- 772 444 949	5 543 998 723	5 919 252 325	6 320 189 066

The municipality has a higher number of debtors, but the collection level is an average of 50% from the previous financial year. In 2026/27 the collection rate is expected to be between 55-60% of the current billing.

The municipality also has a large number of creditors that result from the cost drivers that are key to service delivery and the municipality cannot do without them.
Since the municipality has established and tabled the funding plan, it was highlighted that the municipality will not be able to pay all the creditors at once. Therefore, for 2026/27 budget, the municipality has already started negotiations with some of the creditors to make affordable payments arrangements that will go beyond the 2026/27 financial year.

Cost containment measures

Cost containment measures continue as our resolution. Hence the budget is largely informed by this. We continue to make it our practice, a call by the cost containment regulation to eliminate expenditures on the following:

Travel, Conferences, Catering, Entertainment, social functions, telephones, and wasteful expenditure.

Based on the funding plan, the municipality has started to access and review existing SLA's to identify those services that the municipality can do internally.

Budget related policies

The municipality in implementing this budget will rely mostly on its policies as being reviewed for the financial year.

1.4 OPERATING REVENUE FRAMEWORK

The following Table is a high-level summary of the 2026/2027 Tabled budget, indicated is the budgeted revenue by source.

DC26 Zululand - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	39 170	58 877	55 414	63 954	51 217	51 217	45 751	78 508	81 099	83 694
Service charges - Waste Water Management	2	14 831	16 024	18 129	18 494	16 979	16 979	14 495	21 258	21 959	22 662
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services	2	1 426	760	627	800	1 502	1 502	1 010	1 903	1 966	2 029
Interest earned from Receivables	2	75	691	746	858	648	648	515	1 015	1 049	1 066
Interest earned from Current and Non Current Assets	2	7 433	15 458	8 129	8 000	5 804	5 804	4 048	8 000	8 264	8 528
Rental from Fixed Assets	2	181	559	463	504	482	482	409	195	201	207
Licence and permits	2	88	107	277	295	184	184	163	200	207	213
Operational Revenue	2	563	594	1 542	1 344	519	519	226	610	631	651
Non-Exchange Revenue											
Fines, penalties and forfeits	2	910	875	449	605	258	258	207	400	413	426
Transfer and subsidies - Operational	2	658 830	746 444	680 583	720 384	772 595	772 595	728 454	758 474	797 882	816 894
Gains on disposal of Fixed and Intangible Assets	2	2 894	680	-	-	-	-	-	-	-	-
Other Gains	2	4 385	5 704	1 706	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contri		**730 785**	**846 773**	**768 065**	**815 238**	**850 188**	**850 188**	**795 276**	**870 564**	**913 671**	**936 371**

The **2026/2027** Operating Revenue budget is **R870 million**. This represents an increase of **R20 million** or **2%** from **2025/2026** budget of **R850 million**. This net increase is largely attributed to changes in operating revenue sources.
Each line item on the face of financial performance is explained below:

Exchange revenue

Service charges – Water revenue

Service charges is the amount billed to consumers for water consumed. The Municipality budgeted an amount of **R78 million** under Service charges - water revenue, this represents an increase of **R27 million** or **53%** from an amount of **R51 million** in the **2027/26** Budget. Water revenue is 9% of total revenue in 20262027.

The service charges water revenue increased by **10%** as per increase in tariffs schedule because the municipality took into consideration **2026/2027** financial year actual billing, the municipality budgeted per each customer list and the fact that there are places where there are faulty meters and being billed at fixed rate, the municipality has already appointed someone to

install and replace faulty meters. The municipality is no longer giving 6kl to households that are not considered as indigent, only indigent households have access to 6kl.

The municipality has identified about 25000 households with the potential to of paying water should they be metered, this is not included in the service charges budget since it has not materials yet, once started it will be part of the adjustment budget.

The Municipality increased tariffs by **10%** which is equal to **3.4%** percent guideline as per MFMA circular No. 134, this was done to gradually achieve cost reflective tariffs, whilst maintaining customer affordability.

An amount of **R5.8 million** has been set aside as a provision for bad debt (provision for non-collection). The municipality is predominantly rural and there are no industries, the level of employment is very low, most households are not able to pay their debt, as a result the municipality is working on updating the indigent register. At the moment the cost of production is higher than the revenue recovered since only urban areas are billed.

Service charges – Sanitation revenue

Sanitation revenue is billed on customers that are connected to the sewer system and those that utilize septic tank system. Sewer connection system is mostly in urban areas and septic tank system is mostly in developing and rural areas, most areas in the district utilize septic tank system. Sewer charge is fixed, but businesses and government are charged an additional sewer excess if they use more than 40kl of water per month. Sewer dump/removal/vacuum is charged on customers that utilize the septic tank system.

The Municipality budgeted an amount of **R21 million** under Service charges - sanitation revenue, this represents an increase of **R4 million** or **10%** from an amount of **R16 million** in the **2025/26** Budget. The Sanitation revenue is **2%** of total revenue.

The municipality has not changed the budget from draft budget as the information that was used to calculate the budget emanates from the list of accounts of customers.

The Municipality increased tariffs by **10%**, which is not equal to **3.4%** guideline as per MFMA circular No. 134. The municipality has considered the trend that most businesses are charged sewer excess because of their consumption. Also, sewer dump/removal/vacuum is not fixed but dependent on the number of customers that require the service.

The Municipality does not provide free basic service for sewer charges since sewer charge is fixed thus no revenue forgone is recognized under sanitation revenue.

An amount of **R1 million** has been set aside as a provision for bad debt (provision for non-collection). The Municipality only charges sewer services to metered consumers.

Sale of Goods and Rendering of Services

Sale of goods and rendering of services is the amount for sale of tender documents and clearance certificate. The Municipality budgeted an amount of **R1.9 million** under sale of goods and rendering of services, this represents an increase of **R401 thousand** or **27%** from an amount of **R1.5 million** in the **2025/26** budget. This increase is attributed to the municipality increasing the capital projects which will result in selling more tender documents.

The municipality did not increase as per circular 134 guideline of **3.4%**, this results from the fact that sale is determined as per tariffs. The municipality main sale is tender documents.

Interest earned - outstanding debtors

Interest earned from receivables is an interest charged solely on businesses as per the municipality's Credit Control Policy. The Municipality budgeted an amount of **R1 million** on interest earned on outstanding debtors for the year **2026/27**, which reflects an increase of **R368 thousand** or **57%** from **R648 thousand** in the **2025/26** budget. The Municipality has decided to further charge interest on government institutions.

The municipality did not increase by 3.4% as guided by circular 134 because the municipality interest depends on the balance of grants.

The municipality's debtors book is increasing every year and the increase is also expected in 2026/2027.

Interest earned from Current and Non-Current Assets

Interest on investment is interest received when the Municipality makes cash investments. Interest earned from current and non-current assets is interest generated from both current and investment accounts, the municipality makes cash investment deposits which are call and 32 days investment deposits. The Municipality budgeted an amount of **R8 million** under Interest on investment which reflects an increase of **R2 million** or **38%** from **R5.8 million** in the **2026/27** adjusted budget. This increase has considered audited AFS and grants allocation so the municipality will make short-term investments. The municipality at end of the year will not have the investments simple because the interest arise from the investment during the year, the investment tables will show nothing since this is not long term investment.

Rental of Fixed Assets

Rental of facilities is billed for office space leased out. The Municipality budgeted an amount of **R195 thousand** excluding vat under rental of facilities and equipment. Rental of facilities has decreased by **R288 thousand** since there are tenants have evacuated the building.

Licenses and permits

Licences and permits are mainly based on the licences issued by municipal health. The municipality budgeted an amount of **R200 thousand** which reflects an increase of **R70 thousand** from **R130 thousand** in the **2025/2026** budget.

Operational Revenue

The operating revenue includes receipts such as skills levy refund, landing fees, clearance certificates and commission fees. The budget is prepared based on the expected return and expenditure from skills training. The expected budget is **R810 thousands**. The increase is not according to 3.4% guideline as per circular 134 because this depends on the occurrence and non-occurrence of future events, the budget was based on the current performance.

Non-exchange revenue

Fines, penalties, and forfeits

Fines, penalties, and forfeits is amounts charged on illegal connections, deposit forfeits, health fines based on health inspections and reconnection fees on non-paying disconnected customers.

The Municipality budgeted an amount of **R400 thousand** under Fines, penalties, and forfeits, this represents an increase of **R142 thousand** from an amount of **R258** thousand in the **2025/26** Adjusted Budget. This increase is not equal to the **3.4% percent** guideline as per MFMA circular No. 134 because the increase was based on the trend from current year.

Transfers and subsidies

Transfers and subsidies (grants) are amounts gazetted as per Division of Revenue Act (DoRA), 2026; and provincial gazette, Transfers and subsidies is revenue recognized as operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR). Transfers and subsidies (Grants) are recognized/recorded as revenue when conditions have been met, except for equitable share which is not a conditional grant.

Transfers and subsidies budget is **R758 million,** this is as per DORA and Provincial gazette.

Provincial Gazette allocation has been considered, an amount of **R1.7 million** has been gazetted to be received from the department of arts and culture and Economic development, this grant will be used to facilitate projects in district art center (Indonsa art center).

1.5 OPERATING EXPENDITURE FRAMEWORK

Following Table is a high-level summary of the 2026/2027 budget, indicated is the budgeted expenditure by source.

DC26 Zululand - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Expenditure											
Employee related costs	2	286 293	315 068	343 349	302 013	302 098	302 098	303 583	384 180	391 355	403 878
Remuneration of councillors	2	9 276	10 362	10 539	11 640	11 640	11 640	8 681	14 283	14 755	15 227
Bulk purchases - electricity	2	-	-	-	-	-	-	1	-	-	-
Inventory consumed	2,8	51 978	45 332	59 492	10 250	10 045	10 045	1 923	10 380	10 718	11 057
Debt impairment	2,3	26 735	30 812	30 773	4 000	4 000	4 000	-	5 580	5 764	5 949
Depreciation, amortisation and impairment	2	100 254	114 269	120 749	95 000	95 108	95 108	109 153	91 000	94 003	97 011
Interest, Dividends and Rent on Land	2	553	8 113	18 115	7 575	7 354	7 354	8 999	7 593	7 844	9 099
Contracted services	2	363 587	374 946	277 295	87 677	179 181	179 181	195 993	82 238	38 306	45 423
Transfers and subsidies	2	4 683	3 534	9 064	-	3 269	3 269	12 168	200	207	213
Irrecoverable debts written off	2	2 192	8 134	2 724	-	-	-	-	-	-	-
Operational costs	2	175 045	244 092	342 579	35 611	190 297	190 297	232 089	46 498	47 731	49 230
Disposal of Fixed and Intangible Assets	2	679	506	6	-	-	-	-	-	-	-
Other Losses	2	309	-	272	-	-	-	-	-	-	-
Total Expenditure		**1 021 583**	**1 155 168**	**1 214 957**	**553 766**	**802 992**	**802 992**	**872 589**	**641 952**	**610 682**	**637 088**

The **2026/2027** Operating Expenditure budget is **R641 million**. This represents a decrease of **R161 million** or **20%** from **2025/2026** budget of **805 million**.

Expenditure Classification is important to know the types of expenses the municipality incurs. Each line item on the face of financial performance will be explained.

Employee Related Costs

The salary increase of 4.75% (average CPIX from March 2025 to February 2026 or clause 6.8 of the agreement plus 0.75%) has been factored into the annual budget for 2026/2027. To be noted that 2026/2027 is the third year of the current five-year salary and wage agreement entered into between the labour as well as the employer body, SALGA

The Municipality budgeted an amount of **R384 million** under employee related costs, this represents an increase of **R82 million** or **27%** from an amount of **R302 million** in the **2025/2026** budget. The salaries have increased due to bargaining council agreement, contracted employees. The municipality has revised the EPWP employees budget down to align with the grant allocation, hence that resulted to decrease in salaries budget by **R7.4 million**. The salaries are 67% of the operating budget, which is beyond the norm of 25%-40% set by the National Treasury. The municipality has decreased the operating expenditure but there has been minor decrease in salaries and salaries remained a big chunk of the operating budget. The municipality has reviewed the organogram.

Remuneration of Councilors

The cost associated with the remuneration of councillors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). an increase of 4.75% percent has also been provided for Councilor's remuneration. The municipality did provide for upper limits in the increase in the budget.

Remuneration of Councilors is paid for councilors' allowances, service-related benefits and contributions. The Municipality budgeted an amount of **R14 million** which has not changed since the draft budget.

Bulk purchases – electricity

The Municipality does not incur bulk purchases electricity since the Municipality does not sell electricity.

Inventory Consumed

Inventory Consumed are expenses incurred in terms of GRAP 12 such as consumable, materials and suppliers and water inventory. The Municipality budgeted an amount of **R52 million** under inventory consumed. This represents a decrease of **R42 million** from an amount of **R42 million** in the draft budget **2026/2027**. The decrease emanates from the fact that the municipality engaged in new mechanism that will assist in the reduction of water bill from Abaqulusi, the municipality will drill boreholes that will be connected to existing networks to avoid billing. The budget for **2026/2027** is **R10.6 million** which has increased from **R10 million** in **2025/2026** financial year.

The increase is not according to 3.4% guided by circular 134 because of the adjustment done to correct the inventory water billing.

Debt impairment

This is the provision for doubtful debts because of a non-collection level. It is based on the non-collection estimates. The Municipality budgeted an amount of **R5.8 million** under Debt impairment, this represents a increase of **R1.5 million** from an amount of **R4 million** in the 2025/26 Budget. According to municipality's recovery plan, it was mentioned that there will be consistent cut-offs and disconnections, therefore when implementing the plan, the debtors will decrease as well as the movement of impairment.

The municipality has decreased the provision based on 2024-2025 budget collection level of **50%**. Assessment and provision for bad debts is done at year end, the municipality does not expect to impair the whole remaining **50%** of billed consumers since some consumers do not

meet the municipalities impairment criteria. For example, the municipality does not impair businesses and government institutions. Secondly, some consumers at least make the minimum number of payments per annum to disqualify them from being impaired.

National Treasuries recommend that the assessment and calculations be done monthly. The municipality is in the process of aligning its processes to allow calculation of debt impairment monthly.

Depreciation

Provision for depreciation and asset impairment has been informed by the Municipality's Property, plant and Equipment Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard **total R91 million** for the 2026/2027 financial year.
Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets in to books.

This is a non-cash item budgeted for as per the stipulation of the general recognized accounting standards.

The depreciation is estimated based on the municipalities accounting policy which amongst others considers existing assets, assets to be acquired, work in progress assets to be completed, assets to be disposed and other factors.

The Municipality is also considering creating an asset replacement reserve to refurbish these assets and ensure continuous delivery of services. This will be successful if the municipality can be financial stable.

The depreciation and impairment is in line with the municipality's Asset management polity and will ensure that the AFS is correctly carried forward.

Interest

This amount includes interest in loans. The municipality budgeted an amount of **R7.5 million**, this represents an increase of **R239 thousand** from an amount of **R7.5 million** in the **2025/2026** budget. The municipality has made the provision of interest on loan as per loan agreement which is not in accordance with **3.4%** increase.

Contracted services

Contracted services include Outsourced services, Consultants and professional fees, and Contractors. Contracted services consist mainly of the repairs and maintenance of the water and wastewater infrastructure together with fleet.

There has been change from the draft budget amount of **R145 million** to **R 82.2 million,** the decrease is **R63.4 million**, this results from the engagement of each line item in order to achieve the affordable cost but the service delivery be maintained.

The contracted services has decreased by **R96 million** from **R182 million** in 2025/2026 budget to **R82.2** million in 2026/2027.

The municipality has budgeted according to affordability. According to the funding plan. The municipality has also engaged in some payment plan on contracted services since the municipality has limited funding sources.

The municipality has taken a decision to review all cost driving contracts, where possible limit scope of work done whilst maintaining service delivery. This process will help reduce costs so that the municipality spends within the limits of the budget.

Transfers and subsidies

Transfers and subsidies are goods provided as subsidies or aid to the communities for poverty alleviation or community development and/or any other support in the form of monetary value to other organ of state. There is allocation of **R200 thousand** in 2026/2027 which will transferred to Zululand development Agency.

Other expenditure

Other expenditure consists of operational cost and operating leases, this is all the other expenditure not classified above, other expenditure includes cost of electricity for water/sewer plants, Municipal services, external Audit fees, subsistence and travel, fuel, insurance, software licenses, SALGA bargaining council levy, telephone, hiring charges, uniforms & protective clothing, operating leases (vehicles), to mention a few.

Some of the expenditure items are once off and incurred in the first half of the financial year and will not be incurred in the second half of the financial year and vice versa e.g. bargaining council levy, annual software licenses, insurance, uniforms & protective clothing, and external audit fees.

The municipality has decreased the budget from **R115 million** in the draft budget to **R 46.4 million** in the final budget. That's a decrease of **R108 million,** which in cost containment measures implementation and aligning with the funding plan**.**

The budget has decreased by **R143.9 million** from **R190 million** in 2025/2026 to **R46.3 million** in 2026/2027.

The municipality has considered the funding plan priorities when determining the operating cost. The municipality has operating costs that cannot be avoided such as Eskom, municipality rates, fleet lease, wet fuel, external audit, SALGA, insurance, workmen's compensation which are very expensive but crucial for service delivery. Some expenditure items have remained the same due to municipal financial limitations.

Operating Surplus

DC26 Zululand - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Surplus/(Deficit)		**(290 798)**	**(308 396)**	**(446 893)**	**261 472**	**47 197**	**47 197**	**(77 313)**	**228 612**	**302 988**	**299 300**
Transfers and subsidies - capital (monetary allocations)	6	610 502	768 386	851 477	916 219	917 665	917 665	728 039	760 484	765 479	824 871
Transfers and subsidies - capital (in-kind)	6	-	9	8	-	-	-	39	-	-	-
Surplus/(Deficit) after capital transfers & contributions		**319 704**	**460 000**	**404 593**	**1 177 691**	**964 861**	**964 861**	**650 765**	**989 096**	**1 068 467**	**1 124 171**
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		**319 704**	**460 000**	**404 593**	**1 177 691**	**964 861**	**964 861**	**650 765**	**989 096**	**1 068 467**	**1 124 171**
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		**319 704**	**460 000**	**404 593**	**1 177 691**	**964 861**	**964 861**	**650 765**	**989 096**	**1 068 467**	**1 124 171**
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	**319 704**	**460 000**	**404 593**	**1 177 691**	**964 861**	**964 861**	**650 765**	**989 096**	**1 068 467**	**1 124 171**

Table A4 indicates a budget surplus of **R228 million.**

1.6 CAPITAL BUDGETING

Table A5 indicates budgeted capital Expenditure by Municipal Vote and standard classification, the budgeted amount is funded from grants and own funds, the funding is taken from table A4 surplus.

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 01 - Council		–	–	–	–	–	–	–	–	–	–
Vote 02 - Corporate Services		–	155	–	–	–	–	–	–	–	–
Vote 03 - Finance		–	–	511	–	–	–	–	–	–	–
Vote 04 - Community Development		–	–	–	–	–	–	–	–	–	–
Vote 05 - Planning & Wsa		–	–	–	–	15 670	15 670	4 975	–	–	–
Vote 06 - Technical Services		–	–	–	–	–	–	–	–	–	–
Vote 07 - Water Purification		–	–	–	–	–	–	–	–	–	–
Vote 08 - Water Distribution		–	–	–	–	–	–	–	–	–	–
Vote 09 - Waste Water		–	–	–	–	–	–	–	–	–	–
Vote 10 - .		–	–	–	–	–	–	–	–	–	–
Vote 11 - .		–	–	–	–	–	–	–	–	–	–
Vote 12 - ,		–	–	–	–	–	–	–	–	–	–
Vote 13 - ,		–	–	–	–	–	–	–	–	–	–
Vote 14 - *		–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**–**	**155**	**511**	**–**	**15 670**	**15 670**	**4 975**	**–**	**–**	**–**
Single-year expenditure *to be appropriated*	2										
Vote 01 - Council		173	167	–	–	–	–	–	–	–	–
Vote 02 - Corporate Services		833	1 551	37	–	–	–	2 400	–	–	–
Vote 03 - Finance		2 064	70	164	–	–	–	–	–	–	–
Vote 04 - Community Development		3 277	286	–	87	174	174	–	87	87	87
Vote 05 - Planning & Wsa		491 521	660 294	732 582	742 790	737 566	737 566	565 554	611 947	665 634	717 279
Vote 06 - Technical Services		–	–	–	–	–	–	–	–	–	–
Vote 07 - Water Purification		474	20	–	–	–	–	–	–	–	–
Vote 08 - Water Distribution		–	–	48 200	–	6 673	6 673	4 342	–	–	–
Vote 09 - Waste Water		–	–	–	–	–	–	–	–	–	–
Vote 10 - .		–	–	–	–	–	–	–	–	–	–
Vote 11 - .		–	–	–	–	–	–	–	–	–	–
Vote 12 - ,		–	–	–	–	–	–	–	–	–	–
Vote 13 - ,		–	–	–	–	–	–	–	–	–	–
Vote 14 - *		–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**498 342**	**662 388**	**780 983**	**742 877**	**744 413**	**744 413**	**572 297**	**612 034**	**665 721**	**717 366**
Total Capital Expenditure - Vote		**498 342**	**662 543**	**781 494**	**742 877**	**760 083**	**760 083**	**577 272**	**612 034**	**665 721**	**717 366**
Capital Expenditure - Functional											
Governance and administration		**3 061**	**1 943**	**712**	**–**	**–**	**–**	**2 400**	**–**	**–**	**–**
Executive and council		173	167	–	–	–	–	–	–	–	–
Finance and administration		2 888	1 621	712	–	–	–	2 400	–	–	–
Internal audit		–	155	–	–	–	–	–	–	–	–
Community and public safety		**1 551**	**286**	**–**	**87**	**174**	**174**	**–**	**87**	**87**	**87**
Community and social services		1 551	286	–	87	174	174	–	87	87	87
Sport and recreation											
Public safety											
Housing											
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**1 726**	**75**	**61**	**2 410**	**2 410**	**2 410**	**1 334**	**2 508**	**2 608**	**2 689**
Planning and development		1 726	75	61	2 410	2 410	2 410	1 334	2 508	2 608	2 689
Road transport											
Environmental protection											
Trading services		**491 995**	**660 239**	**780 722**	**740 380**	**757 499**	**757 499**	**573 539**	**609 439**	**663 026**	**714 590**
Energy sources											
Water management		491 995	660 239	780 722	740 380	757 499	757 499	573 539	609 439	663 026	714 590
Waste water management		–	–	–	–	–	–	–	–	–	–
Waste management											
Other		**9**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Functional	3	**498 342**	**662 543**	**781 494**	**742 877**	**760 083**	**760 083**	**577 272**	**612 034**	**665 721**	**717 366**
Funded by:											
National Government		490 152	660 294	732 522	742 790	751 790	751 790	569 234	611 947	665 634	717 279
Provincial Government		2 797	277	–	87	1 620	1 620	1 257	87	87	87
District Municipality											
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	9	–	–	–	–	39	–	–	–
Transfers recognised - capital	4	**492 948**	**660 580**	**732 522**	**742 877**	**753 410**	**753 410**	**570 530**	**612 034**	**665 721**	**717 366**
Borrowing	6	191	–	48 200	–	6 673	6 673	4 342	–	–	–
Internally generated funds		5 203	1 963	772	–	–	–	2 400	–	–	–
Total Capital Funding	7	**498 342**	**662 543**	**781 494**	**742 877**	**760 083**	**760 083**	**577 272**	**612 034**	**665 721**	**717 366**

Governance and administration

Governance and administration include furniture, ICT infrastructure, Furniture, computers, road restoration, park homes and equipment. The municipality did not budget for this line item.

Community and public safety

The municipality has budgeted **R87 thousand** to equip Indonsa Art Centre with the necessary equipment.

Economic and environmental services

Economic and environmental includes capital grant (rural road asset management grant), this line item is **R2.5 million** or **4%** from **R2.4 million**. Rural road grant is the only expenditure expected from this line item and funded by grant.

Trading services

Trading services include capital grants (MIG, WSIG, and RBIG). This line item has decreased by **R56 million** from **R 760 million** to **R703 million**. This line item includes infrastructure funded by MIG, RBIG, WSIG and Borrowings.

Projects to be Implemented as per Capital budget.

	BUDGET 2026/2027	CHANGE	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029
MUNICIPAL INFRASTRUCTURE	272 515 000	56 649 993	215 865 007	304 202 000	314 271 000
REGIONAL BULK INFRASTRATURE	370 085 000		370 085 000	308 278 000	372 120 000
WATER SERVICES INFRASTRUCTURE	115 000 000		115 000 000	150 000 000	135 388 000
RURAL ROAD ASSET MANAGEMENT	2 884 000		2 884 000	2 999 000	3 092 000
INDONSA GRANT	100 000		100 000	100 000	100 000
TOTAL	**760 584 000**	**56 649 993**	**703 934 007**	**765 579 000**	**824 971 000**

Capital budget is funded **100%** by grants as per DORA. Capital budget funding is as follows: Municipal Infrastructure Grant (MIG), Water Services Infrastructure Grant (WSIG), Regional Bulk Infrastructure Grant (RBIG).
In terms of Circular No.58 conditional/capital grants must be reported VAT inclusive, below grants expenditure VAT inclusive.

1.7 ANNUAL BUDGET TABLES

The following part of the budget presentation portrayed below focuses on budget tables as required in terms of regulation 9 of the Municipal Budget and Reporting Regulations. These tables clearly outline the municipality's **2026/2027** budget and MTREF as approved by the Council. Below each table there is a provision of clarification pertaining to what is depicted from the provided tables

Table A1 - Budget Summary

DC26 Zululand - Table A1 Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	54 001	74 901	73 543	82 448	68 196	68 196	60 245	99 766	103 058	106 356
Investment revenue	7 433	15 458	8 129	8 000	5 804	5 804	4 048	8 000	8 264	8 528
Transfer and subsidies - Operational	658 830	746 444	680 583	720 384	772 595	772 595	728 454	758 474	797 882	816 894
Other own revenue	10 521	9 969	5 810	4 406	3 593	3 593	2 529	4 323	4 466	4 609
Total Revenue (excluding capital transfers and contributions)	730 785	846 773	768 065	815 238	850 188	850 188	795 276	870 564	913 671	936 388
Employee costs	286 293	315 068	343 349	302 013	302 098	302 098	303 583	384 180	391 355	403 878
Remuneration of councillors	9 276	10 362	10 539	11 640	11 640	11 640	8 681	14 283	14 755	15 227
Depreciation, amortisation and impairment	100 254	114 269	120 749	95 000	95 108	95 108	109 153	91 000	94 003	97 011
Interest, Dividends and Rent on Land	553	8 113	18 115	7 575	7 354	7 354	8 999	7 593	7 844	9 099
Inventory consumed and bulk purchases	51 978	45 332	59 492	10 250	10 045	10 045	1 924	10 380	10 718	11 057
Transfers and subsidies	4 683	3 534	9 064	–	3 269	3 269	12 168	200	207	213
Other expenditure	568 547	658 490	653 649	127 288	373 478	373 478	428 082	134 316	91 801	100 602
Total Expenditure	1 021 583	1 155 168	1 214 957	553 766	802 992	802 992	872 589	641 952	610 682	637 068
Surplus/(Deficit)	(290 798)	(308 396)	(446 893)	261 472	47 197	47 197	(77 313)	228 612	302 988	299 300
Transfers and subsidies - capital (monetary	610 502	768 388	851 477	916 219	917 665	917 665	728 039	760 484	765 479	824 871
Transfers and subsidies - capital (in-kind)	–	9	8	–	–	–	39	–	–	–
Surplus/(Deficit) after capital transfers & contributions	319 704	480 000	404 593	1 177 691	964 861	964 861	650 765	989 096	1 068 467	1 124 171
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	319 704	480 000	404 593	1 177 691	964 861	964 861	650 765	989 096	1 068 467	1 124 171
Capital expenditure & funds sources										
Capital expenditure	498 342	662 543	781 494	742 877	760 083	760 083	577 272	612 034	665 721	717 366
Transfers recognised - capital	492 948	660 580	732 522	742 877	753 410	753 410	570 530	612 034	665 721	717 366
Borrowing	191	–	48 200	–	6 673	6 673	4 342	–	–	–
Internally generated funds	5 203	1 963	772	–	–	–	2 400	–	–	–
Total sources of capital funds	498 342	662 543	781 494	742 877	760 083	760 083	577 272	612 034	665 721	717 366
Financial position										
Total current assets	144 961	199 465	170 523	677 146	453 458	453 458	146 220	916 550	1 408 751	1 909 443
Total non current assets	5 000 233	5 529 332	6 107 453	5 982 751	6 772 429	6 772 429	468 119	6 533 380	6 491 256	6 444 080
Total current liabilities	509 937	564 126	822 963	406 164	658 279	658 279	(444 089)	641 548	646 867	652 356
Total non current liabilities	45 231	128 414	126 218	254 146	263 526	263 526	9 036	275 287	265 419	256 807
Community wealth/Equity	4 597 982	5 047 151	5 644 236	4 821 896	5 339 107	5 339 107	699 752	5 543 999	5 919 252	6 320 189
Cash flows										
Net cash from (used) operating	1 928 382	3 029 956	2 861 418	1 250 945	1 025 833	1 025 833	1 962 524	1 052 956	1 134 435	1 193 254
Net cash from (used) investing	(496 567)	(661 863)	(780 983)	(854 309)	(862 515)	(862 515)	(577 272)	(703 839)	(765 579)	(824 971)
Net cash from (used) financing	(1 532)	89 447	(18 304)	(17 712)	(17 712)	(17 712)	(9 068)	(17 712)	(17 712)	(17 712)
Cash/cash equivalents at the year end	1 450 730	2 484 987	2 119 201	387 748	168 710	168 710	1 376 184	611 748	962 892	1 313 464
Cash backing/surplus reconciliation										
Cash and investments available	1 450 730	2 484 987	2 119 201	387 748	168 710	168 710	1 376 184	611 748	962 892	1 313 464
Application of cash and investments	(744 211)	(1 699 289)	(1 051 278)	89 865	276 687	276 687	(168 604)	337 879	276 689	197 992
Balance - surplus (shortfall)	2 194 942	4 184 256	3 170 479	277 883	(107 977)	(107 977)	1 544 788	273 869	686 203	1 115 472
Asset management										
Asset register summary (WDV)	3 684 881	4 174 396	4 636 412	4 627 814	5 301 388	5 301 388		5 082 338	5 020 214	4 973 039
Depreciation	100 254	114 269	120 749	95 000	95 108	95 108		91 000	94 003	97 011
Renewal and Upgrading of Existing Assets	191	–	–	–	–	–		–	–	–
Repairs and Maintenance	147 925	167 322	182 804	45 589	91 114	91 114		44 823	17 955	18 700
Free services										
Cost of Free Basic Services provided	4 710	(348)	(36)	5 063	–	–		11 427	11 804	12 181
Revenue cost of free services provided	–	–	–	–	–	–		–	–	–
Households below minimum service level										
Water:	–	–	–	–	–	–		–	–	–
Sanitation/sewerage:	6	6	6	7	7	7		6	7	7
Energy:	–	–	–	–	–	–		–	–	–
Refuse:	–	–	–	–	–	–		–	–	–

MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

DC26 Zululand - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional										
Governance and administration		**665 320**	**759 290**	**685 556**	**722 663**	**733 524**	**733 524**	**761 599**	**802 647**	**822 820**
Executive and council		8	–	–	–	–	–	–	–	–
Finance and administration		665 312	759 290	685 556	722 663	733 524	733 524	761 599	802 647	822 820
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**2 285**	**2 285**	**2 874**	**2 118**	**40 856**	**40 856**	**2 019**	**2 029**	**2 039**
Community and social services		2 209	2 179	2 578	1 719	40 671	40 671	1 719	1 719	1 719
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		76	107	296	399	184	184	300	310	320
Economic and environmental services		**4 171**	**3 112**	**1 857**	**2 772**	**2 772**	**2 772**	**2 884**	**6 999**	**6 092**
Planning and development		4 171	3 112	1 857	2 772	2 772	2 772	2 884	6 999	6 092
Road transport		–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**668 995**	**848 437**	**929 225**	**1 003 344**	**990 117**	**990 117**	**863 745**	**866 571**	**929 201**
Energy sources		–	–	–	–	–	–	–	–	–
Water management		654 093	832 056	910 913	984 607	973 053	973 053	842 356	844 476	906 399
Waste water management		14 903	16 380	18 312	18 738	17 064	17 064	21 390	22 095	22 802
Waste management		–	–	–	–	–	–	–	–	–
Other	4	**516**	**2 045**	**38**	**560**	**584**	**584**	**800**	**903**	**1 107**
Total Revenue - Functional	2	**1 341 287**	**1 615 168**	**1 619 550**	**1 731 457**	**1 767 853**	**1 767 853**	**1 631 048**	**1 679 150**	**1 761 259**
Expenditure - Functional										
Governance and administration		**329 923**	**435 743**	**433 680**	**157 805**	**305 587**	**305 587**	**203 708**	**210 481**	**225 086**
Executive and council		63 257	73 100	136 925	32 580	93 172	93 172	45 639	47 145	48 653
Finance and administration		266 667	309 789	238 282	114 888	177 108	177 108	143 554	148 342	154 242
Internal audit		–	52 855	58 473	10 338	35 307	35 307	14 515	14 994	22 190
Community and public safety		**27 553**	**27 210**	**28 017**	**26 183**	**67 602**	**67 602**	**30 883**	**31 850**	**32 820**
Community and social services		14 564	9 284	9 732	13 973	55 279	55 279	9 232	9 486	9 739
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	7 301	7 663	–	51	51	7 947	8 210	8 472
Housing		–	–	–	–	–	–	–	–	–
Health		12 989	10 625	10 622	12 210	12 272	12 272	13 703	14 155	14 608
Economic and environmental services		**22 711**	**29 375**	**23 677**	**20 747**	**21 292**	**21 292**	**21 848**	**26 569**	**26 291**
Planning and development		22 711	29 375	23 677	20 747	21 292	21 292	21 848	26 569	26 291
Road transport		–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**632 167**	**650 031**	**720 504**	**339 990**	**399 469**	**399 469**	**374 396**	**330 223**	**340 790**
Energy sources		–	–	–	–	–	–	–	–	–
Water management		620 495	637 415	704 506	326 178	388 403	388 403	362 220	317 645	327 809
Waste water management		11 672	12 616	15 997	13 812	11 066	11 066	12 177	12 579	12 981
Waste management		–	–	–	–	–	–	–	–	–
Other	4	**9 229**	**12 810**	**9 079**	**9 041**	**9 042**	**9 042**	**11 117**	**11 559**	**12 101**
Total Expenditure - Functional	3	**1 021 583**	**1 155 168**	**1 214 957**	**553 766**	**802 992**	**802 992**	**641 952**	**610 682**	**637 088**
Surplus/(Deficit) for the year		**319 704**	**460 000**	**404 593**	**1 177 691**	**964 861**	**964 861**	**989 096**	**1 068 467**	**1 124 171**

Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional and the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table 4.

MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

DC26 Zululand - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote	1									
Vote 01 - Council		8	–	–	–	–	–	–	–	–
Vote 02 - Corporate Services		61 142	105 559	1 279	977	13 538	13 538	1 200	1 317	1 533
Vote 03 - Finance		604 660	655 776	684 315	722 246	720 570	720 570	761 199	802 233	822 393
Vote 04 - Community Development		3 953	2 285	2 874	2 118	40 856	40 856	2 019	2 029	2 039
Vote 05 - Planning & Wsa		617 377	775 606	856 704	922 625	924 071	924 071	765 863	769 479	827 871
Vote 06 - Technical Services		–	–	–	–	–	–	–	–	–
Vote 07 - Water Purification		–	–	–	–	–	–	–	–	–
Vote 08 - Water Distribution		39 245	59 562	56 066	64 754	51 754	51 754	79 377	81 996	84 620
Vote 09 - Waste Water		14 903	16 380	18 312	18 738	17 064	17 064	21 390	22 095	22 802
Vote 10 - .		–	–	–	–	–	–	–	–	–
Vote 11 - .		–	–	–	–	–	–	–	–	–
Vote 12 - ,		–	–	–	–	–	–	–	–	–
Vote 13 - ,		–	–	–	–	–	–	–	–	–
Vote 14 - *		–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**1 341 287**	**1 615 168**	**1 619 550**	**1 731 457**	**1 767 853**	**1 767 853**	**1 631 048**	**1 679 150**	**1 761 259**
Expenditure by Vote ***to be appropriated***	1									
Vote 01 - Council		63 257	82 703	149 256	39 008	100 882	100 882	55 581	57 415	65 969
Vote 02 - Corporate Services		187 183	276 025	202 751	70 945	143 577	143 577	89 973	93 019	96 170
Vote 03 - Finance		72 389	76 383	73 931	45 795	58 898	58 898	61 789	63 878	67 076
Vote 04 - Community Development		55 014	58 981	59 143	49 235	90 991	90 991	50 058	51 657	53 258
Vote 05 - Planning & Wsa		61 591	31 915	33 823	75 338	66 781	66 781	73 502	28 956	28 754
Vote 06 - Technical Services		9 306	5 404	4 208	6 413	6 483	6 483	2 943	3 040	3 138
Vote 07 - Water Purification		52 109	50 293	53 728	48 672	49 133	49 133	58 174	60 094	62 017
Vote 08 - Water Distribution		509 062	560 849	622 121	204 548	275 180	275 180	237 755	240 044	247 725
Vote 09 - Waste Water		11 672	12 616	15 997	13 812	11 066	11 066	12 177	12 579	12 981
Vote 10 - .		–	–	–	–	–	–	–	–	–
Vote 11 - .		–	–	–	–	–	–	–	–	–
Vote 12 - ,		–	–	–	–	–	–	–	–	–
Vote 13 - ,		–	–	–	–	–	–	–	–	–
Vote 14 - *		–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**1 021 583**	**1 155 168**	**1 214 957**	**553 766**	**802 992**	**802 992**	**641 952**	**610 682**	**637 088**
Surplus/(Deficit) for the year	2	**319 704**	**460 000**	**404 593**	**1 177 691**	**964 861**	**964 861**	**989 096**	**1 068 467**	**1 124 171**

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.

MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Table A4 indicates the budgeted revenue and expenditure by source, and the calculated surplus which will be used to fund Capital Expenditure on table B5.

DC26 Zululand - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	39 170	58 877	55 414	63 954	51 217	51 217	45 751	78 508	81 099	83 694
Service charges - Waste Water Management	2	14 831	16 024	18 129	18 494	16 979	16 979	14 495	21 258	21 959	22 662
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services	2	1 426	760	627	800	1 502	1 502	1 010	1 903	1 966	2 029
Agency services	2	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	75	691	746	858	648	648	515	1 015	1 049	1 083
Interest earned from Current and Non Current Assets	2	7 433	15 458	8 129	8 000	5 804	5 804	4 048	8 000	8 264	8 528
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	181	559	463	504	482	482	409	195	201	207
Licence and permits	2	88	107	277	295	184	184	163	200	207	213
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	563	594	1 542	1 344	519	519	226	610	631	651
Non-Exchange Revenue											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	910	875	449	605	258	258	207	400	413	426
Licences or permits	2	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	2	658 830	746 444	680 583	720 384	772 595	772 595	728 454	758 474	797 882	816 894
Interest	2	-	-	-	-	-	-	-	-	-	-
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	2 894	680	-	-	-	-	-	-	-	-
Other Gains	2	4 385	5 704	1 706	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		**730 785**	**846 773**	**768 065**	**815 238**	**850 188**	**850 188**	**795 276**	**870 564**	**913 671**	**936 388**
Expenditure											
Employee related costs	2	286 293	315 068	343 349	302 013	302 098	302 098	303 583	384 180	391 355	403 878
Remuneration of councillors	2	9 276	10 362	10 539	11 640	11 640	11 640	8 681	14 283	14 755	15 227
Bulk purchases - electricity	2	-	-	-	-	-	-	1	-	-	-
Inventory consumed	2,8	51 978	45 332	59 492	10 250	10 045	10 045	1 923	10 380	10 718	11 057
Debt impairment	2,3	26 735	30 812	30 773	4 000	4 000	4 000	-	5 580	5 764	5 949
Depreciation, amortisation and impairment	2	100 254	114 269	120 749	95 000	95 108	95 108	109 153	91 000	94 003	97 011
Interest, Dividends and Rent on Land	2	553	8 113	18 115	7 575	7 354	7 354	8 999	7 593	7 844	9 099
Contracted services	2	363 587	374 946	277 295	87 677	179 181	179 181	195 993	82 238	38 306	45 423
Transfers and subsidies	2	4 683	3 534	9 064	-	3 269	3 269	12 168	200	207	213
Irrecoverable debts written off	2	2 192	8 134	2 724	-	-	-	-	-	-	-
Operational costs	2	175 045	244 092	342 579	35 611	190 297	190 297	232 089	46 498	47 731	49 230
Disposal of Fixed and Intangible Assets	2	679	506	6	-	-	-	-	-	-	-
Other Losses	2	309	-	272	-	-	-	-	-	-	-
Total Expenditure		**1 021 583**	**1 155 168**	**1 214 957**	**553 766**	**802 992**	**802 992**	**872 589**	**641 952**	**610 682**	**637 088**
Surplus/(Deficit)		**(290 798)**	**(308 396)**	**(446 893)**	**261 472**	**47 197**	**47 197**	**(77 313)**	**228 612**	**302 988**	**299 300**

MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification, and funding source

Table A5 indicates budgeted capital Expenditure by Municipal Vote and standard classification, the budgeted amount is funded from grants and own funds, the funding is taken from table A4.

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Vote											
Multi-year expenditure ***to be appropriated***	2										
Vote 01 - Council		–	–	–	–	–	–	–	–	–	–
Vote 02 - Corporate Services		–	155	–	–	–	–	–	–	–	–
Vote 03 - Finance		–	–	511	–	–	–	–	–	–	–
Vote 04 - Community Development		–	–	–	–	–	–	–	–	–	–
Vote 05 - Planning & Wsa		–	–	–	–	15 670	15 670	4 975	–	–	–
Vote 06 - Technical Services		–	–	–	–	–	–	–	–	–	–
Vote 07 - Water Purification		–	–	–	–	–	–	–	–	–	–
Vote 08 - Water Distribution		–	–	–	–	–	–	–	–	–	–
Vote 09 - Waste Water		–	–	–	–	–	–	–	–	–	–
Vote 10 - .		–	–	–	–	–	–	–	–	–	–
Vote 11 - .		–	–	–	–	–	–	–	–	–	–
Vote 12 - ,		–	–	–	–	–	–	–	–	–	–
Vote 13 - ,		–	–	–	–	–	–	–	–	–	–
Vote 14 - *		–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**–**	**155**	**511**	**–**	**15 670**	**15 670**	**4 975**	**–**	**–**	**–**
Single-year expenditure ***to be appropriated***	2										
Vote 01 - Council		173	167	–	–	–	–	–	–	–	–
Vote 02 - Corporate Services		833	1 551	37	–	–	–	2 400	–	–	–
Vote 03 - Finance		2 064	70	164	–	–	–	–	–	–	–
Vote 04 - Community Development		3 277	286	–	87	174	174	–	87	87	87
Vote 05 - Planning & Wsa		491 521	660 294	732 582	742 790	737 566	737 566	565 554	611 947	665 634	717 279
Vote 06 - Technical Services		–	–	–	–	–	–	–	–	–	–
Vote 07 - Water Purification		474	20	–	–	–	–	–	–	–	–
Vote 08 - Water Distribution		–	–	48 200	–	6 673	6 673	4 342	–	–	–
Vote 09 - Waste Water		–	–	–	–	–	–	–	–	–	–
Vote 10 - .		–	–	–	–	–	–	–	–	–	–
Vote 11 - .		–	–	–	–	–	–	–	–	–	–
Vote 12 - ,		–	–	–	–	–	–	–	–	–	–
Vote 13 - ,		–	–	–	–	–	–	–	–	–	–
Vote 14 - *		–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**498 342**	**662 388**	**780 983**	**742 877**	**744 413**	**744 413**	**572 297**	**612 034**	**665 721**	**717 366**
Total Capital Expenditure - Vote		**498 342**	**662 543**	**781 494**	**742 877**	**760 083**	**760 083**	**577 272**	**612 034**	**665 721**	**717 366**
Capital Expenditure - Functional											
Governance and administration		**3 061**	**1 943**	**712**	**–**	**–**	**–**	**2 400**	**–**	**–**	**–**
Executive and council		173	167	–	–	–	–	–	–	–	–
Finance and administration		2 888	1 621	712	–	–	–	2 400	–	–	–
Internal audit		–	155	–	–	–	–	–	–	–	–
Community and public safety		**1 551**	**286**	**–**	**87**	**174**	**174**	**–**	**87**	**87**	**87**
Community and social services		1 551	286	–	87	174	174	–	87	87	87
Sport and recreation											
Public safety											
Housing											
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**1 726**	**75**	**61**	**2 410**	**2 410**	**2 410**	**1 334**	**2 508**	**2 608**	**2 689**
Planning and development		1 726	75	61	2 410	2 410	2 410	1 334	2 508	2 608	2 689
Road transport											
Environmental protection											
Trading services		**491 995**	**660 239**	**780 722**	**740 380**	**757 499**	**757 499**	**573 539**	**609 439**	**663 026**	**714 590**
Energy sources											
Water management		491 995	660 239	780 722	740 380	757 499	757 499	573 539	609 439	663 026	714 590
Waste water management		–	–	–	–	–	–	–	–	–	–
Waste management											
Other		**9**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Functional	3	**498 342**	**662 543**	**781 494**	**742 877**	**760 083**	**760 083**	**577 272**	**612 034**	**665 721**	**717 366**
Funded by:											
National Government		490 152	660 294	732 522	742 790	751 790	751 790	569 234	611 947	665 634	717 279
Provincial Government		2 797	277	–	87	1 620	1 620	1 257	87	87	87
District Municipality											
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	9	–	–	–	–	39	–	–	–
Transfers recognised - capital	4	**492 948**	**660 580**	**732 522**	**742 877**	**753 410**	**753 410**	**570 530**	**612 034**	**665 721**	**717 366**
Borrowing	6	191	–	48 200	–	6 673	6 673	4 342	–	–	–
Internally generated funds		5 203	1 963	772	–	–	–	2 400	–	–	–
Total Capital Funding	7	**498 342**	**662 543**	**781 494**	**742 877**	**760 083**	**760 083**	**577 272**	**612 034**	**665 721**	**717 366**

MBRR Table A6 - Budgeted Financial Position

DC26 Zululand - Table A6 Budgeted Financial Position

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS											
Current assets											
Cash and cash equivalents	1	27 427	57 071	23 103	479 180	280 363	280 363	76 459	703 573	1 154 576	1 612 752
Short term Investments	2	–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	3	56 328	85 184	98 370	146 890	124 104	124 104	(8 085)	163 985	205 183	247 699
Receivables from non-exchange transactions	3	131	5 696	1 012	5 696	1 012	1 012	(1 304)	1 012	1 012	1 012
Current portion of non-current receivables	4	–	–	–	–	–	–	–	–	–	–
Inventory	5	2 836	3 966	3 013	3 966	3 013	3 013	41 010	3 013	3 013	3 013
VAT Receivable	6	32 718	18 005	18 355	17 829	18 297	18 297	24 180	18 297	18 297	18 297
Other current assets	7	25 522	29 542	26 669	23 584	26 669	26 669	13 961	26 669	26 669	26 669
Total current assets		**144 961**	**199 465**	**170 523**	**677 146**	**453 458**	**453 458**	**146 220**	**916 550**	**1 408 751**	**1 909 443**
Non current assets											
Investments	8	–	–	–	–	–	–	–	–	–	–
Investment property	9	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	10	4 992 365	5 521 478	6 099 628	5 974 921	6 764 609	6 764 609	468 124	6 525 649	6 483 618	6 436 538
Biological assets	11	–	–	–	–	–	–	–	–	–	–
Living resources	12	–	–	–	–	–	–	–	–	–	–
Heritage assets	13	7 817	7 817	7 817	7 817	7 817	7 817	–	7 817	7 817	7 817
Intangible assets	14	52	28	8	3	3	3	(5)	(87)	(180)	(276)
Trade and other receivables from exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Other non-current assets	16	–	10	1	10	1	1	–	1	1	1
Total non current assets		**5 000 233**	**5 529 332**	**6 107 453**	**5 982 751**	**6 772 429**	**6 772 429**	**468 119**	**6 533 380**	**6 491 256**	**6 444 080**
TOTAL ASSETS		**5 145 195**	**5 728 797**	**6 277 976**	**6 659 897**	**7 225 887**	**7 225 887**	**614 340**	**7 449 930**	**7 900 006**	**8 353 523**
LIABILITIES											
Current liabilities											
Bank overdraft	17	–	–	–	–	–	–	–	–	–	–
Financial liabilities	18	1 484	18 789	17 903	18 318	17 508	17 508	(9 079)	17 508	17 508	17 508
Consumer deposits	19	3 620	3 381	3 372	3 463	3 372	3 372	10	3 372	3 372	3 372
Trade and other payables from exchange transactions	20	473 278	504 872	753 802	354 299	605 733	605 733	(688 718)	591 357	596 676	602 165
Trade and other payables from non-exchange transactions	21	1 560	1 446	9 219	1 446	(0)	(0)	252 617	(0)	–	–
Provision	22	29 177	34 193	36 776	27 193	29 776	29 776	–	28 582	28 582	28 582
VAT Payable	23	318	699	729	699	729	729	1 080	729	729	729
Other current liabilities	24	500	747	1 161	747	1 161	1 161	–	–	–	–
Total current liabilities		**509 937**	**564 126**	**822 963**	**406 164**	**658 279**	**658 279**	**(444 089)**	**641 548**	**646 867**	**652 356**
Non current liabilities											
Financial liabilities	25	1 744	81 419	75 704	59 706	65 567	65 567	9 036	55 449	45 581	36 968
Provision	26	(1 458)	(2 731)	(1 111)	–	–	–	–	–	–	–
Long term portion of trade payables	27	–	2 925	–	143 370	140 445	140 445	–	140 445	48 980	48 980
Other non-current liabilities	28	44 945	46 801	51 625	51 070	57 514	57 514	–	79 394	170 859	170 859
Total non current liabilities		**45 231**	**128 414**	**126 218**	**254 146**	**263 526**	**263 526**	**9 036**	**275 287**	**265 419**	**256 807**
TOTAL LIABILITIES		**555 169**	**692 540**	**949 180**	**660 310**	**921 805**	**921 805**	**(435 053)**	**916 836**	**912 286**	**909 163**
NET ASSETS		**4 590 026**	**5 036 258**	**5 328 796**	**5 999 587**	**6 304 082**	**6 304 082**	**1 049 393**	**6 533 094**	**6 987 720**	**7 444 360**
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	29	4 597 982	5 047 151	5 644 236	4 821 896	5 339 107	5 339 107	699 752	5 543 999	5 919 252	6 320 189
Reserves and funds	30	–	–	–	–	–	–	–	–	–	–
Other	31	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	32	**4 597 982**	**5 047 151**	**5 644 236**	**4 821 896**	**5 339 107**	**5 339 107**	**699 752**	**5 543 999**	**5 919 252**	**6 320 189**

Table A6 is consistent with international standards of good financial management practice and improves the understanding ability of councilors and management of the impact of the budget on the statement of financial position (balance sheet).

This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth.

Table SA3 provides a detailed analysis of the major components of several items, including:
Call investments deposits.
Cash & Overdraft
Consumer debtors.
Property, plant, and equipment.
Trade and other payables.
Provisions
Debt impairment

The financial position determines whether the Municipality will be able to generate enough revenue from its assets to service its liabilities and maintain its operations. Below each line item on the face of financial position will be explained.

CURRENT ASSETS

Cash and cash equivalents

Cashbook balance at end is estimated based on expected performance on expenditure and implementation of cost containment measures. Considering payments of suppliers and employees and payments of capital assets. The municipality has a favorable cash balance at the end of the year.

Cash Balance at the end is expected to be **R703 million.**

Trade and other receivables from exchange transactions

Trade and other receivables from exchange transactions include debtors from water, sanitation services, other service charges and rental properties.

Water	R 61 342 029
Sanitation	R 16 182 361
Debtors Balance	**R77 524 390**

Water and Sanitation services are calculated as follows:

	Water	**Sanitation**
Opening balance	R 29 538 387.12	R 8 110 569.26
Current year billing	R 90 284 930.66	R 24 446 566.96
Collection	(R54 691 711.32)	(R 14 746 938.58.18)
Impairment	(R 4 657 500.00)	(R 1 759 500.00)
Interest Charges	R 868 338.00	R131 664.00
Debtors Balance	**R 61 342 029**	**R 16 182 361**

Consumer debtors include debtors from water and sanitation services, the expected balance at the end of the financial year is **R77 524 390 million.**

Other receivables from exchange R 5 507 651

VAT

This is the VAT input accrual not yet receivable from SARS, this amount to R80 million

Receivables from non-exchange transactions
Receivable from non-exchange transactions includes accrued income, irregular, unauthorized, fruitless expenditure and insurance claims.
Receivables from non-exchange transactions amount to **R1 million.**

Current portion of non-current receivables
The Municipality does have the non-current portion of non-current receivables since there are no long-term arrangements.

Inventory
The inventory is assumed to be **R3 million** by the end of the financial year. Inventories consist of water stock, material and supplies and consumable stores.

Opening balance	R3 million
Bulk water purchases	R33 million
Bulk water Billed	(R33 million)
Materials and supplies Acquisition	R1.3 million
Materials and supplies Issues	(1.3 million)
Consumable Acquisition	R560 thousand)
Consumable Issue	(R560 thousand)
Closing balance	**R3 million**

VAT
VAT Receivable is the net amount of input VAT raised less output VAT received. VAT Receivable amount to **R18.2** million. This is what is due to the municipality from SARS

Other current assets

Deposit made	R26.2 million.
Operating lease	R8.5 thousand
Accrued interest	R367 thousand
Closing Balance	**R26.6 million**

This is the amount for security deposits on all accounts the municipality has with mainly Eskom and a small portion to legal firms. As the Municipalities infrastructure program continues, new connections are expected to be made, and municipality pays security deposits to Eskom.

NON-CURRENT ASSETS
Long term receivables

The Municipality does not have receivables classified as long-term receivables.

Property plant and equipment

Property plant and equipment includes capital acquisition from table A5, and the carrying amount of all assets owned by the municipality, Capital acquisition as per table A5 is **R789.9 million**, which are additions to property plant and equipment.

Total PPE is expected to be **R6 billion.**

Heritage Asset

The Heritage Asset amounts to **R7.8 Million**, the municipality is not expecting to Acquire any heritage asset.

Other non-current assets

Other non-current asset is R1000

CURRENT LIABILITIES

Consumer deposits

Consumer deposits are deposit amounts of customers that have accounts with the municipality, the expected balance at the end of the financial year is **R3.3 million**

Consumer deposits are Classified as follows:

Consumer deposits Water	R3.3 million
Total Consumer debtors	**R3.3 million**

Trade and other payables from exchange transactions

Trade and other payables are amounts owed by the municipality. Trade and other payables are based on the 24/25 audited Annual financial statements (AFS), Trade and other payables amount to **R591 million**. This large volume of creditors has a significant impact on the funding position of the Municipality.

Below is the breakdown of trade and other payables.

Calculation of Trade and other payables are calculated as follows

R thousand	Budget Year 2026/27
Trade and Other Payable Exchange Transactions	
Advance Payments	2 105
Bonus	586
Electricity Bulk Purchase	14 294
Leave Accrual	789
Long Service Award	16 711
Overtime	450
Payables and Accruals	395 420
Retentions	119 295
Standby	258
Unallocated Deposits	223
Water Inventory Bulk Purchases	31 241
VAT Payables Output Tax Accrual	44 496
VAT Payables Output Tax Provision for Doubtful Debt Impairment	(34 512)
Total Trade and Other Payable Exchange Transactions	**591 357**

The budget has considered all the creditors at the beginning of the year, all these creditors are current creditors and are due in the budget year. The budget assumed that all creditors are to be paid in the current year.

The municipality will engage on payments arrangements with suppliers after confirming the outstanding balance at 30 June 2026, this will be reflected on the adjustment budget.

The municipality acknowledges that there's a high volume of creditors, and to this end, the Municipality will take the following steps.

- The municipality has stated in the funding plan that they will negotiate affordable payment arrangements with creditors, maintenance contracts and any other big creditors.
- The municipality is under debt relief program with DWS
- The municipality acknowledges that there's liabilities that will be paid in the outer years and those liabilities are disclosed under non-current liabilities.
- The municipality will review the scope of work of existing SLAs.
- All conditional grants to be ring fenced so that funds are available when needed and not used to fund any project.
- An assessment to be conducted to reveal the causes of increasing creditors, formulate action plan and implement it.
- Municipality to ring fence VAT refunds to eradicate creditors
- Municipality is planning to have fewer year-end payments by paying and complying with 30-day rule.

VAT

VAT payable amounts to **R729 thousand**.

Current Provisions

The current Provisions are amounts provided by municipality to reflect future cash outflows in terms of GRAP requirements. Current Provisions amount to **R28 million**. This is the leave provision.
This represents accumulated leave that will not be paid out in the near future.
The municipality has paid less than 10% every year.

Finance liabilities

This is the current portion of long loan **R17.7** million, this budgeted as per loan schedule.

NON-CURRENT LIABILITIES

Financial liabilities
Non-current financial liabilities include long term loan. The municipality acquired a loan and the loan repayment is R17 million annually for the period of 10 years. Non-current financial liabilities amount to **R55 million**.

Non- Current Provisions

Non – Current portion of trade payables are amounts provided by municipality to reflect future cash outflows in terms of GRAP requirements. This includes long service awards and post-retirement medical aid benefit, debt relief and other Non - Current Payables amounting to **R140 million**.

Other non-current liabilities
Non-current liabilities amount to **R79 million**

Accumulated surplus is the net worth of the Municipality, sitting at **R5.5 billion**

MBRR Table A7 - Budgeted Cash Flow Statement

The budgeted cash flow statement is the first measurement in determining if the budget is funded.

Cashflow from Operating Activities

DC26 Zululand - Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									–	–	–
Service charges		26 949	32 466	42 771	58 477	50 914	50 914	37 441	70 522	72 849	75 181
Other revenue		1 442 379	2 097 233	1 591 117	126 002	164 795	164 795	1 563 875	105 348	106 805	115 653
Transfers and Subsidies - Operational	1	661 838	746 330	729 726	720 384	764 091	764 091	764 301	758 474	797 882	816 894
Transfers and Subsidies - Capital	1	610 306	768 386	851 477	916 219	916 219	916 219	956 219	760 484	765 479	824 871
Interest		6 722	18 397	5 345	8 516	6 203	6 203	4 181	8 609	8 893	9 178
Dividends									–	–	–
Payments											
Suppliers and employees		(819 832)	(632 856)	(359 018)	(578 653)	(873 799)	(873 799)	(1 363 494)	(650 252)	(617 236)	(648 278)
Finance charges									–	–	–
Transfers and Subsidies	1	–	–	–	–	(2 589)	(2 589)	–	(230)	(238)	(245)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1 928 362**	**3 029 956**	**2 861 418**	**1 250 945**	**1 025 833**	**1 025 833**	**1 962 524**	**1 052 956**	**1 134 435**	**1 193 254**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	680	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments									–	–	–
Insurance Refund - Capital									–	–	–
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments									–	–	–
Payments											
Capital assets		(496 567)	(662 543)	(780 983)	(854 309)	(862 515)	(862 515)	(577 272)	(703 839)	(765 579)	(824 971)
Retention (Capital)									–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(496 567)**	**(661 863)**	**(780 983)**	**(854 309)**	**(862 515)**	**(862 515)**	**(577 272)**	**(703 839)**	**(765 579)**	**(824 971)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing		–	100 000	511	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		1	(37)	(8)	–	–	–	11	–	–	–
Payments											
Repayment of borrowing		(1 533)	(10 516)	(18 807)	(17 712)	(17 712)	(17 712)	(9 079)	(17 712)	(17 712)	(17 712)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(1 532)**	**89 447**	**(18 304)**	**(17 712)**	**(17 712)**	**(17 712)**	**(9 068)**	**(17 712)**	**(17 712)**	**(17 712)**
NET INCREASE/ (DECREASE) IN CASH HELD		**1 430 262**	**2 457 540**	**2 062 130**	**378 924**	**145 607**	**145 607**	**1 376 184**	**331 405**	**351 144**	**350 571**
Cash/cash equivalents at the year begin:	2	**20 468**	**27 427**	**57 071**	**(11 176)**	**23 103**	**23 103**	**–**	**280 343**	**611 748**	**962 892**
Cash/cash equivalents at the year end:	2	**1 450 730**	**2 484 967**	**2 119 201**	**367 748**	**168 710**	**168 710**	**1 376 184**	**611 748**	**962 892**	**1 313 464**

Receipts

Service charges

The assumed collection rate is based on the current collection level and is expected to be **60%** of billed revenue, also considering that there are debtors paying for prior years.
The Municipality expects to collect **R70** million.

The 60% collection rate is budget based on the following:

- The municipality has taken a decision to stop giving free basic water to every household but only to indigents. This will mean no payment, no water.
- The municipality is currently rolling out the prepaid meters
- The municipality has identified the new customers from new developments.
- The municipality is not only collecting the current billing but also the debtors from previous financial years.
- The municipality has established a revenue enhancement steering committee.
- The municipality has appointed the debt collector to enhance the collection.
- The municipality has also appointed a senior person to assist with collection.

- Municipality have adopted the indigent policy, that will assist in determining indigent households and cleansing debtor's book. The indigent register is in progress.
- This has increased the municipality's confidence that the collection will increase more than expected.

Other Revenue

Other revenue is expected to be **R113.7 million**, this amount include revenue from sale of tender documents, rent income, licenses and permits, fines penalties and forfeits, SDL Refund and VAT Refund from SARS as per guideline of MFMA circular no. 58.

Transfers and subsidies – Operational

Operating grants are expected to be received as gazetted

Equitable share	R749 million
Finance Management Grant	R1.5 million
Expanded public works program	R5.3 million
Indonsa grant	R1.7 million
Aviation Grant	R 700 thousand
Total Operational grants	**R758 million**

Transfers and subsidies – Capital

Capital grants are expected to be received as gazetted

Municipal Infrastructure Grant	R272 million
Regional Bulk Infrastructure Grant	R370 million
Water services Infrastructure Grant	R115 million
Rural Road asset Management grant	R 2.8 million
Total Capital grants	**R760 million**

Interest

This interest includes both interest on investments made and interest on bank balance. The Municipality expects to receive **R8.6 million** of interest from outstanding debtors, Investments and current account.

Payments to Suppliers and employees

Municipality is expecting to spend 100% of what is budgeted for in 2026-2027 **R650 million** VAT inclusive, this amount excludes non-cash Items such as depreciation and debt impairment.

Cashflow from Investing activities

Payments Capital Assets

The capital budget is expected to be 100% spent by the end of the financial year – **R760 million**. The capital budget is expected to be spent as it is conditional grants.

Cashflow from financing activities

The current year payments are expected to be **R17.7 million**, this includes repayment of loan and lease payments.

Cash and cash equivalents at the end

Cash and cash equivalents are expected to be **R611 million** and this is what is available to apply or utilise on working capital on table A8.

Cash backed reserves/accumulated surplus reconciliation.

DC26 Zululand - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash and investments available											
Cash/cash equivalents at the year end	1	1 450 730	2 484 967	2 119 201	367 748	168 710	168 710	1 376 184	611 748	962 892	1 313 464
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		1 450 730	2 484 967	2 119 201	367 748	168 710	168 710	1 376 184	611 748	962 892	1 313 464
Application of cash and investments											
Unspent conditional transfers		1 560	1 446	9 219	1 446	(0)	(0)	252 617	(0)	–	–
Unspent borrowing											
Statutory requirements	2	33 902	36 189	–	–	–	–	–	–	–	–
Other working capital requirements	3	(807 196)	(1 769 109)	(1 096 079)	63 234	248 105	248 105	(456 803)	309 297	248 107	169 410
Other provisions		27 523	32 186	35 582	25 186	28 582	28 582	35 582	28 582	28 582	28 582
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(744 211)	(1 699 289)	(1 051 278)	89 865	276 687	276 687	(168 604)	337 879	276 689	197 992
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		2 194 942	4 184 256	3 170 479	277 883	(107 977)	(107 977)	1 544 788	273 869	686 203	1 115 472
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		2 194 942	4 184 256	3 170 479	277 883	(107 977)	(107 977)	1 544 788	273 869	686 203	1 115 472

MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation
The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.

In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist

Cash and Investments available

Cash Table A6	**R 703 million**
Cash and cash equivalents at the end Table A7	**R 611 million**
Difference	**R 92 million**

The difference is the VAT Input for capital Assets which is not populating on Cashflow table A7. This is a limitation of the financial system which is unable to populate the VAT portion as part of the cashflow movements on Table A7.

Unspent conditional transfers

The Municipality is assuming all conditional grants will be spent by the end of the financial year. No roll overs are anticipated.

Unspent borrowings

The Municipality is not expecting to default in any obligation.

Statutory requirements

The municipality's input VAT paid is always higher than output VAT collected thus the municipality is not expecting to pay any VAT to SARS rather the municipality is expecting to receive VAT refunds.

Other working capital requirements

Net working capital of **R309 million** has been heavily distorted by collection rates on debtors. Template formular for estimated collection rate reflected above includes other revenue as part of collectable amounts. Other revenue consists mostly of VAT refund from SARS which should not be taken into consideration when calculating the collection rate.

2526 creditors opening balances

The municipality has outlined the line items as per opening balances as per audited AFS and the disbursement method.

Working capital requirements is calculated considering the fact that the payments arrangements will be implemented as per agreements.

Full calculation is working capital is disclosed in A8.

Other provisions

Movements in provisions have been taken into consideration on table A7 under payments to suppliers and employees.

Long term investments committed.

The Municipality does not plan to have long term investments since the Municipality is planning to ringfence cash available to reduce creditors.

Reserves backed by cash/investments.

The Municipality has not created any reserves due to financial constraints.

Surplus(shortfall)

The surplus on Table A8 is **R273 million**, this amount is overstated because of the reasons provided on Other working capital requirements first paragraph.

DC26 Zululand - Table A9 Asset Management

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CAPITAL EXPENDITURE										
Total New Assets	1	498 151	662 543	781 494	742 877	760 083	760 083	612 034	665 721	717 366
Roads Infrastructure		–	–	–	2 410	2 410	2 410	2 508	2 608	2 689
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		491 521	660 219	732 522	740 380	750 826	750 826	609 439	663 026	714 590
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***491 521***	***660 219***	***732 522***	***742 790***	***753 236***	***753 236***	***611 947***	***665 634***	***717 279***
Community Facilities		1 726	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		***1 726***	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		51	–	–	–	–	–	–	–	–
Intangible Assets		***51***	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**2 158**	**624**	**735**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**1 085**	**348**	**37**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**1 610**	**432**	**48 200**	**87**	**6 847**	**6 847**	**87**	**87**	**87**
Transport Assets		**–**	**920**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

Total Renewal of Existing Assets	2	**191**	–	–	–	–	–	–	–	–
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	–	–	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		**191**	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	–	–	–	–	–	–	–	–	–
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	–	–	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

Total Capital Expenditure	4	**498 342**	**662 543**	**781 494**	**742 877**	**760 083**	**760 083**	**612 034**	**665 721**	**717 366**
Roads Infrastructure		–	–	–	2 410	2 410	2 410	2 508	2 608	2 689
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		491 521	660 219	732 522	740 380	750 826	750 826	609 439	663 026	714 590
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***491 521***	***660 219***	***732 522***	***742 790***	***753 236***	***753 236***	***611 947***	***665 634***	***717 279***
Community Facilities		1 726	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		***1 726***	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		51	–	–	–	–	–	–	–	–
Intangible Assets		***51***	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**2 158**	**624**	**735**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**1 085**	**348**	**37**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**1 801**	**432**	**48 200**	**87**	**6 847**	**6 847**	**87**	**87**	**87**
Transport Assets		**–**	**920**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		**498 342**	**662 543**	**781 494**	**742 877**	**760 083**	**760 083**	**612 034**	**665 721**	**717 366**
ASSET REGISTER SUMMARY - PPE (WDV)	5	3 684 881	4 174 396	4 636 412	4 627 814	5 301 388	5 301 388	5 062 338	5 020 214	4 973 039
Roads Infrastructure		–	–	–	931	1 648	1 648	(18 517)	(39 348)	(60 868)
Storm water Infrastructure										
Electrical Infrastructure		–	–	–	(75)	(39)	(39)	(39)	(79)	(122)
Water Supply Infrastructure		3 560 049	4 057 109	4 498 845	4 533 586	5 167 829	5 167 829	5 023 048	5 073 128	5 121 074
Sanitation Infrastructure		40 665	38 955	19 385	34 353	17 015	17 015	3 704	(10 046)	(24 236)
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		***3 600 714***	***4 096 064***	***4 518 230***	***4 568 795***	***5 186 453***	***5 186 453***	***5 008 196***	***5 023 655***	***5 035 848***
Community Assets		28 125	30 181	28 971	29 276	28 067	28 067	27 691	27 649	27 607
Heritage Assets		**7 817**	**7 817**	**7 817**	**7 817**	**7 817**	**7 817**	**7 817**	**7 817**	**7 817**
Investment properties										
Other Assets		24 470	23 186	21 940	20 370	20 382	20 382	19 658	18 911	18 139
Biological or Cultivated Assets										
Intangible Assets		52	28	8	3	3	3	(87)	(180)	(276)
Computer Equipment		**4 084**	**2 594**	**1 885**	**(295)**	**839**	**839**	**(661)**	**(2 556)**	**(4 513)**
Furniture and Office Equipment		**771**	**1 751**	**1 232**	**567**	**623**	**623**	**(1 815)**	**(4 334)**	**(6 933)**
Machinery and Equipment		**8 266**	**6 382**	**52 345**	**5 713**	**58 804**	**58 804**	**44 758**	**35 463**	**25 928**
Transport Assets		**10 112**	**5 922**	**3 513**	**(4 902)**	**(2 070)**	**(2 070)**	**(43 689)**	**(86 680)**	**(131 048)**
Land		**470**	**470**	**470**	**470**	**470**	**470**	**470**	**470**	**470**
Zoo's, Marine and Non-biological Animals										
Living Resources										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**3 684 881**	**4 174 396**	**4 636 412**	**4 627 814**	**5 301 388**	**5 301 388**	**5 062 338**	**5 020 214**	**4 973 039**

EXPENDITURE OTHER ITEMS		**248 178**	**281 591**	**303 553**	**140 589**	**186 221**	**186 221**	**135 823**	**111 958**	**115 711**
Depreciation	7	100 254	114 269	120 749	95 000	95 108	95 108	91 000	94 003	97 011
Repairs and Maintenance by Asset Class	3	**147 925**	**167 322**	**182 804**	**45 589**	**91 114**	**91 114**	**44 823**	**17 955**	**18 700**
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		142 087	159 097	171 017	45 389	85 220	85 220	43 013	16 012	16 524
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***142 087***	***159 097***	***171 017***	***45 389***	***85 220***	***85 220***	***43 013***	***16 012***	***16 524***
Community Facilities		–	1 739	435	–	415	415	700	800	1 000
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		**–**	***1 739***	***435***	**–**	***415***	***415***	***700***	***800***	***1 000***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		1 020	978	62	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***1 020***	***978***	***62***	**–**	**–**	**–**	**–**	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**20**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**40**	**–**	**–**	**200**	**200**	**200**	**110**	**110**	**110**
Machinery and Equipment		**29**	**–**	**–**	**–**	**38**	**38**	**–**	**–**	**–**
Transport Assets		**4 728**	**5 508**	**11 289**	**–**	**5 241**	**5 241**	**1 000**	**1 033**	**1 066**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		**248 178**	**281 591**	**303 553**	**140 589**	**186 221**	**186 221**	**135 823**	**111 958**	**115 711**
Renewal and upgrading of Existing Assets as % of total capex		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Renewal and upgrading of Existing Assets as % of deprecn		*0.2%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
R&M as a % of PPE & Investment Property		*4.0%*	*4.0%*	*3.9%*	*1.0%*	*1.7%*	*1.7%*	*0.9%*	*0.4%*	*0.4%*
Renewal and upgrading and R&M as a % of PPE and Investment Property		*4.0%*	*4.0%*	*3.9%*	*1.0%*	*1.7%*	*1.7%*	*0.9%*	*0.4%*	*0.4%*

MBRR Table A9 - Asset Management

Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE

The infrastructure is funded solely by grants such as MIG, RBIG, WSIG and borrowing, most portions is spent on water provision. The municipal budget for repairs and maintenance is not 8% of PPE, funding is very limited; at the moment there is nothing the municipality can do to fund the budget.

DC26 Zululand - Table A10 Basic service delivery measurement

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	–	–	–	–	–	–	–
Piped water inside yard (but not in dwelling)		10 840	9 756	9 200	10 120	10 120	10 120	10 616	11 678	12 845
Using public tap (at least min.service level)	2	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	7 630	8 012	8 200	9 020	9 020	9 020	9 462	10 408	11 448
Minimum Service Level and Above sub-total		18 470	17 768	17 400	19 140	19 140	19 140	20 078	22 086	24 293
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**18 470**	**17 768**	**17 400**	**19 140**	**19 140**	**19 140**	**20 078**	**22 086**	**24 293**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		–	–	–	–	–	–	–	–	–
Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		6 320	6 320	6 190	6 809	6 809	6 809	6 396	6 809	7 489
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		6 320	6 320	6 190	6 809	6 809	6 809	6 396	6 809	7 489
Total number of households	5	**6 320**	**6 320**	**6 190**	**6 809**	**6 809**	**6 809**	**6 396**	**6 809**	**7 489**
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Refuse:										
Removed at least once a week		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		12 800	12 800	12 800	14 080	14 080	14 080	14 728	16 200	17 820
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per **indigent** household per month)		4 710	(348)	(36)	5 063	–	–	5 847	6 039	6 233
Sanitation (free sanitation service to **indigent households**)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed once a week **for indigent households**)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	5 580	5 764	5 949
Total cost of FBS provided	8	**4 710**	**(348)**	**(36)**	**5 063**	**–**	**–**	**11 427**	**11 804**	**12 181**
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)		–	–	–	–	–	–	6	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)		–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		–	–	–	–	–	–	–	–	–
Water **(in excess of 6 kilolitres per indigent household per month)**		–	–	–	–	–	–	–	–	–
Sanitation **(in excess of free sanitation service to indigent households)**		–	–	–	–	–	–	–	–	–
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		–	–	–	–	–	–	–	–	–
Refuse **(in excess of one removal a week for indigent households)**		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates										
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided		–	–	–	–	–	–	–	–	–

A10 Basic service delivery measurement

More details are provided in Table A10 Basic service delivery measurement.
The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the municipality's Indigent Policy.
The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

The information in the A10 is provided or taken from the municipality WSDP for 2025/2026. The Zululand district municipality is operating in the area that is dominated by rural areas, most households seem to be indigent as we are in the process of updating the register, the households that are getting billed are people from small urban areas, so the number of households with access to water will increase but not correlating with the increase in service charges. The municipality's target was outlined in the tabled budget.

PART 2 – SUPPORTING DOCUMENTS

2.1 OVERVIEW OF ANNUAL BUDGET PROCESS

Political oversight of the budget process.

Section 53 (1) of the MFMA stipulates that the mayor of a municipality must provide general political guidance over the budget process and the priorities that guide the preparation of the budget. Section 21(1) of the MFMA states that the Mayor of a municipality must coordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible.

Furthermore, this section also states that the Mayor must at least 10 months before the start of the budget year, table in municipal council, a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget.

This time schedule provides for political input from formal organizations such as portfolio Committees.

S24 of the MFMA also states that the Mayor must table to council the budget 30 day before the beginning of the year.

Mayor of municipality has also established the budget steering committee to provide technical assistance to the mayor in discharging responsibilities as set out in section 53 of the act.

Schedule of Key Deadlines relating to budget and IDP process [MFMAs 21(1) (b)]

The IDP and Budget time schedule of the 2026/2027 budget cycle was approved by Council before end of August. The IDP and Budget Process Plan ensure that the role-players within the process are well prepared. All activities outlined within this document have been prepared in close inter-relation with the Framework that governs both the district and all local municipalities.

The publication of budget is through website, newspaper and public engagements, the public engagements was in the form of roadshows, the road shows were held throughout the district, in all 5 local Municipalities.

2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

Integrated Development Plan Review Process

The Integrated Development Plan (IDP) Review Process is a vehicle through which Municipalities prepare strategic development plans called Integrated Development Plans for a five-year period. Because service delivery is progressive in nature, the IDP must be reviewed annually to keep up with the evolving nature of communities.

The Zululand District Municipality has embark on its IDP Review of the 5 Year cycle of IDP.

Legal Status

The IDP is a legislative requirement, has a legal status and therefore supersedes all other plans that guide development at local government level.

Vision

We are the Zululand region and proud of our heritage. We are mindful of the needs of the poor and we seek to reflect the aspirations of our communities. We are committed to responsible and accountable actions, tolerance and concern for racial harmony, the protection of our environment, and the strengthening of the role of women and youth. We will strive to improve the quality of life in Zululand by providing sustainable infrastructure, promoting economic development, and building capacity within our communities." We serve our people."

Mission

To create an affluent district by:

- Provision of optimal delivery of essential services.
- Supporting sustainable local economic development; and
- Community participation in service delivery

Core Values

- Transparency
- Commitment
- Innovation
- Integrity
- Co-operation

The above vision strategic focus areas of the Zululand District Municipality are:

- To facilitate the delivery of sustainable infrastructure and services
- To promote economic development
- To promote social development

Zululand District Municipality (Key Performance Areas)

These focus areas are broken down to objectives and strategies, which is used to set KPIs for the

measurement of the Municipality's performance, and progress with its service delivery mandate. It is important to note that the national KPAs as set that relate to:

- Basic Service Delivery
- Municipal Financial viability and management
- Local Economic Development
- Good Governance & Public Participation
- Municipal transformation and institutional development

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance.

KEY FINANCIAL INDICATORS AND RATIOS

Information regarding key financial indicators and ratios are provided below on supporting table SA8.

DC26 Zululand - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Borrowing Management											
Credit Rating					0	0	0	0			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.2%	1.6%	3.0%	4.6%	3.1%	3.1%	2.1%	3.9%	4.2%	4.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.3%	2.2%	4.8%	3.1%	2.9%	2.9%	2.3%	2.9%	2.8%	2.9%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	5093.9%	66.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	0.3	0.4	0.2	1.7	0.7	0.7	(0.3)	1.4	2.2	2.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.3	0.4	0.2	1.7	0.7	0.7	(0.3)	1.4	2.2	2.9
Liquidity Ratio	Monetary Assets/Current Liabilities	0.2	0.3	0.1	1.5	0.6	0.6	(0.2)	1.4	2.1	2.9
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	48.6%	42.9%	57.7%	70.2%	73.0%	73.0%	61.1%	69.4%	69.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		48.6%	42.9%	57.7%	70.2%	73.0%	73.0%	61.1%	69.4%	69.4%	69.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	4.9%	3.3%	2.9%	3.4%	2.6%	2.6%	8.0%	2.6%	2.4%	2.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA's 65(e))	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors to Cash and Investments		32.6%	20.3%	35.6%	96.3%	359.0%	359.0%	-50.0%	96.7%	62.0%	45.8%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Volumes :System input	Bulk Purchase Water treatment works Natural sources Total Volume Losses (kℓ)	–	–	–	–	–	–	–	–	–	–
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	39.2%	37.2%	44.7%	37.0%	35.5%	35.5%	38.2%	44.1%	42.8%	43.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	40.4%	38.4%	46.1%	38.5%	36.9%	36.9%	50.1%	45.8%	44.4%	44.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	20.2%	19.8%	23.8%	5.6%	10.7%	10.7%	5.6%	5.1%	2.0%	2.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	13.8%	14.5%	18.1%	12.6%	12.1%	12.1%	14.9%	11.3%	11.1%	11.3%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	25.2	35.0	29.3	34.1	35.6	64.1	30.2	32.7	34.0	34.8
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	64.4%	36.6%	30.2%	33.0%	32.0%	32.0%	104.3%	22.0%	21.3%	20.6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	12.1	18.7	16.9	3.9	1.5	1.5	12.4	5.8	9.2	12.1

MEASURABLE PERFORMANCE OBJECTIVES

Information regarding revenue is provided as follows:

- **Revenue for each vote:** Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)
- **Revenue for each source**: Table A4 Budgeted Financial Performance (revenue and expenditure)

Provision of free basic services:

More details are provided in Table A10 Basic service delivery measurement.

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the municipality's Indigent Policy.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

2.4 OVERVIEW OF BUDGET RELATED POLICIES

The following budget policies were considered when preparing for budget documentation:

1. Budget Policy
2. Virement Policy
3. Credit control policy
4. Debt written off-policy
5. Banking and investment policy
6. Funding and Reserve policy
7. Supply Chain management policy
8. Asset Management Policy
9. Asset Loss control policy
10. Indigent support policy
11. Insurance Policy
12. Tariff Policy
13. Subsistence and Travelling Policy
14. Cost containment policy
15. Information and Communication Technology (ICT) User Policy
16. Risk Management Policy
17. Fraud Prevention Policy
18. ICT DR plan
19. ICT governance charter
20. ICT operations policy
21. ICT ROI policy
22. ICT strategy
23. ICT user management policy
24. ICT user management policy
25. ZDM ICT security policy
26. Borrowing policy
27. Whistle blowing policy

CREDIT CONTROL AND TARIFF BYLAWS

The Municipal System Act requires Council to adopt a Tariff Policy. The general financial management functions covered in section 62 of the MFMA includes the implementation of a tariff policy. Specific legislation applicable to each service has been taken into consideration when determining this policy. This Policy has been formulated in terms of section 96 (b) and 98 of the Local Government: Municipal Systems Act, 2000 and the Credit Control and Debt Collection By-Law.

Tariff policy on Water and Tariff Policy on Sanitation are included in our approved Credit Control and Debt Collection Policy. The Municipality's credit control and tariff policy state that every consumer and business owners who wants excess to water must apply from the municipality and the municipality must provide such service. After opening an account, the municipality charges or bill the consumer for water provided. If the consumer fails to pay the charge the municipality than provide free basic water at 6kl per month while when businesses don't pay for more than 60 days, the municipality disconnect the services and charge and interest of 5.25% and a reconnection fee.

BANKING AND INVESTMENT POLICY

The underlying cash is managed and invested in accordance with the Municipality's approved Cash Management and Investment Policy, which is aligned with National Treasury's municipal investment regulations dated 01 April 2005.

The Municipality's Banking and Investment policy includes cash management, investments, payments to creditors. According to this policy, the municipality is entitled to collect all monies or debt owed to the municipality, pay its debts on time or within 30 days before creditors charge interest, and must make a call out investment with its surpluses.

SUPPLY CHAIN MANAGEMENT POLICY

Section 111 of the MFMA requires each Municipality and municipal entity to adopt and implement a supply chain management policy, which gives effect to the requirements of the Act. The Municipality's Supply Chain Management Policy was approved by Council. The recommended adjustments to the policy, is to align the policy with the new Preferential Procurement Regulations, and to streamline the policy to include best practices as advised by staff of the Provincial Government following their review of the policy.

This policy is in line with section 217 of the constitution. It states that the municipality before procuring goods and services that are less than 200 thousand must sources three quotes from different service providers to compare and appoint the less quoted to render the service. Deviations must be approved by the Municipal Manager. All tenders advertised must go through all bid committees before a service provide is awarded.

ASSET MANAGEMENT POLICY

The aim of the policy is to ensure that the assets of the municipality are properly managed and accounted for.

The policy state that the municipality must have its asset register that has an asset description, date when the asset was acquired and the location of the asset. A fixed asset shall be capitalised, that is, recorded in the fixed assets register, as soon as it is acquired. If the asset is constructed over a period, it shall be recorded as work-in-progress until it is available for use, whereafter it shall be appropriately capitalised as a fixed asset. It includes how the municipality should maintain, depreciate, safe keep, revaluate, dispose of asset

IT POLICY

The installation of the municipality's information technology (IT) network represents a significant capital outlay, and the objective of this policy is therefore to ensure that this investment in modern technology is properly managed.

The Municipality's IT Policy give guidance to internet usage, backups, data ownership, excess control, physical controls, official websites. Where personal computers have been allocated to officials, such officials shall accept that these computers must be used to fulfil operational functions within the organisation, and that their use is restricted to such official functions only. All data contained or stored on Municipal systems is owned by the Zululand District Municipality. No data should be altered or disclosed without the specific authorisation from the data owner. All officials, to whom user codes and passwords have been allocated, must ensure that these codes and passwords are properly safeguarded. Under no circumstances may employees share any user code or password with colleagues. The CITO shall have a list available of all user codes and passwords and shall ensure that this list is kept in a secure place with other IT related securities.

RISK MANAGEMENT POLICY

The objective is to review the effectiveness of the municipality's financial risk management strategies, with specific reference to the effectiveness with which the municipality's financial and other policies are being implemented. Review the effectiveness of the municipality's other operational risk management strategies, including environmental risks, risks relating to the safety and well-being of the municipality's employees and risks relating to inadequate training and functional capacitation of the municipality's employees. Identify and assess the significance of any risks not covered by existing risk management strategies and formulate means of addressing such risks.

This policy ensure that the financial policies promote accountability and transparency, and adequately address the risks associated with management of fixed assets, supply chain management, banking, investments and cash management, management of budgetary

resources generally, management of revenues, including credit control and debt collection and management of indigents, payment of subsistence, travel and entertainment allowances.

INSURANCE POLICY

This insurance policy is aimed at ensuring that all assets, Councillors, employees and third parties are always insured economically and adequately.

POLICY ON FRAUD PREVENTION

This policy is established to facilitate the development of controls which will assist in the prevention and detection of fraud and corruption, as well as provide guidelines as to how to respond should instances of fraud and corruption be identified.

FINANCIAL PLAN

The purpose of the financial plan is to set out details of the financial issues that need to be addressed in a financial year. It is meant to be a tool to highlight any financial shortcomings.

Indigent's policy and budget implementation and management policy are in progress, by the time of approval of the annual budget they were not on the final stage.

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

KEY BUDGET ASSUMPTIONS

a) Organogram is confirmed.
b) To make impact on current assessment of unfunded budget
c) To identify revenue increase possibilities
d) To priorities compliance issues and SLA that are existing
e) To consider budget Circular
f) To collect 40 % of current billing and 20 % of prior period
g) To ringfence VAT refund for liabilities
h) Management to commit on budget stringent measures (KPI)
i) CPI is 4.75% on salaries.
j) Tariff Increase proposed is 10%

Expenditure

Employee related costs and Remuneration of councillors

The assumption is based on the MFMA Budget circular together with the terms of the National Bargaining Council negotiations for salary increases. For the 2026/27 financial year, 4.75% which is (CPI)4% + 0.75%. For Councillors allowances upper limits were considered for the 2026/27 financial year..

Inventory consumed

It is assumed Inventory consumed will be incurred in terms of GRAP 12, issues of inventory will be recorded on this line item.

Debt impairment

It is assumed assessment of consumer debtors will be performed and provision for debt impairment will be calculated, the provision for bad debts is only allowed to households.

Depreciation and amortisation

Budget for depreciation and asset impairment is based on 2024/25-year to date actual, the values of assets currently possessed by the municipality, and assets budgeted to be purchased within concerned budget period.

It is also assumed that the capital projects for 2025/2026 will be completed during the financial year as there were budgeted for, the depreciation of such projects as per Generally Recognized Accounting Practice (GRAP) is also considered.

The depreciation for 2026/2027 is projected, there are projects that will be capitalised to assets which are in progress, and this will accelerate the depreciation expense. The depreciation will be funded by our reserves.

Interest

It is assumed the municipality will not have any borrowings thus the municipality will not incur finance charges

Contracted services

Contracted services include Outsourced services, Consultants and professional fees, and Contractors.

Transfers and subsidies

It is assumed that transfers and subsidies will be paid

Operational costs

It is assumed that costs for services will increase in line with the CPI. The current oil price is still a concern, and it is expected that the fuel price hikes will have a substantial effect on expenditure

Income

Collection rate for municipal services

It is assumed that the Municipality will collect **60%** of what it has billed. The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring all people lead government.

In accordance with relevant legislation and national directives, the estimated revenue recovery rates are based on realistic and sustainable trends, but municipality has put forward the methods and strategies for the collection of current and previous debtors. The Municipality has established a Revenue enhancement steering committee.

Sale of water and sanitation fees

There will be a **10%** tariff increase for the budget year. The budget is based on the realistic billing figures and the projection was made. These increases are recommended to curb water consumption. The comparison between the tariff increase and the budgeted billing might be a bit off since service charges budget is estimated based on the current actual billing for both water and sanitation.

Rental of facilities and equipment

The Rental of facilities and equipment was based on signed contractual agreements.

Interest earned - external investments.

The projection was made considering the 2026/2027 financial budget includes interest form invested reserves. The investment rate will be based on the highest financial institution offerings. Interest income will be generated from 32-day investments and call accounts which will occur during budget financial year. As a result, the municipality projects no long-term investments.

Interest earned - outstanding debtors

Interest on outstanding debtors is charged on businesses with amounts in arrears

Fines, penalties, and forfeits

Fines are charged on illegal connections

Licences and permits

Licences and Permits will be charged

Transfers and subsidies

It is assumed that the National and Provincial grants as per Division of Revenue Act (DORA) which has been included in the budget will be received during the 2026/2027 financial year.

Other revenue

Other revenue in the budget consists of the amount that will be collected during the year such as sale of tender documents.

FINANCIAL POSITION

Table A6 is consistent with international standards of good financial management practice and improves understandability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).

This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth.

2. Table SA3 is providing a detailed analysis of the major components of several items, including:

- Call investments deposits.
- Consumer debtors.
- Property, plant and equipment.
- Trade and other payables.
- Provisions

Cash

It is assumed that municipality will have cash at the end of the financial year that will be applied to working capital for determining funding position of the municipality.

Call Investment Deposits

For 2026/27 financial year, it is assumed that there will be no investments, the municipality only engage in short term investment that only last less than two months.

Consumer Debtors

It is assumed that, looking at our initiative of establishing Revenue enhancement strategy with a duty to strengthen collection of debts from consumers, there will be a decrease in consumer Debtors.

Other debtors

It is assumed there will be VAT receivable at the end of the financial year, and the municipality will have Eskom deposits for all accounts held.

Current portion of long-term receivables

The municipality does not have current portions of long-term receivables.

Inventory

The inventory level is assumed to increase in the next financial year based on the current stock level.

Long –term Receivables

Non-current receivables as per AFS consist of Eskom deposits and are included under other debtors as per MSCOA classification.

Property Plant and Equipment

It is assumed that looking at our current funding there will be an addition to PPE in 2026/2027. However, the carrying value will be less since most of our assets are depreciating.

Intangible Asset

The municipality does not own most of its software licences.

Consumer deposit

It is assumed that consumer deposits will remain steady.

Trade and other payables from exchange transactions

It is assumed, based on the Audited financial year and current year performance, that the payables will increase. An increase is also expected for the current budget year 2025/2026.

Current provisions

Current provisions include Post Retirement benefit (Medical aid) and Long Service award.

Cash flow

The budgeted cash flow statement is the first measurement in determining if the budget is funded. The assumed collection rate is based on the current collection level, which is expected to be 60% of billable revenue, considering that there are debtors paying for prior years. The figure for other revenue is assumed based on the last financial year AFS and current collection. All other activities are assumed based on the previous financial statements information and talking into account the current movements.

Additionally, the municipality has established revenue enhancement steering committee tasked with improving collection.

Cash Backed Reserves/Accumulated Surplus Reconciliation

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year-end and secondly reconciling the available funding to the liabilities/commitments that exist.

2.6 OVERVIEW OF BUDGET FUNDING

The funding of the budget is structured as follows:

	BUDGET 2026/2027	CHANGE	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029
Service charges - water revenue	78 508 275		78 508 275	81 099 048	83 694 218
Service charges - sanitation revenue	21 257 884		21 257 884	21 959 394	22 662 095
Rental of facilities	194 624		194 624	201 047	207 480
Interest earned - external investments	8 000 000		8 000 000	8 264 000	8 528 448
Interest earned - outstanding debtors	1 015 466		1 015 466	1 042 000	1 066 056
Fines, penalties and forfeits	400 000		400 000	413 200	426 422
Licences and permits	100 404		100 404	103 717	107 036
Transfers and subsidies	758 474 000		758 474 000	793 882 000	813 894 000
Other revenue	2 613 000		2 613 000	2 699 229	2 785 604
Total operating revenue	**870 563 653**	**-**	**870 563 653**	**909 663 636**	**933 371 360**

	BUDGET 2026/2027	CHANGE	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029
MUNICIPAL INFRASTRUCTURE	272 515 000	56 649 993	215 865 007	304 202 000	314 271 000
REGIONAL BULK INFRASTRATURE	370 085 000		370 085 000	308 278 000	372 120 000
WATER SERVICES INFRASTRUCTURE	115 000 000		115 000 000	150 000 000	135 388 000
RURAL ROAD ASSET MANAGEMENT	2 884 000		2 884 000	2 999 000	3 092 000
INDONSA GRANT	100 000		100 000	100 000	100 000
TOTAL	**760 584 000**	**56 649 993**	**703 934 007**	**765 579 000**	**824 971 000**

The way that the budget is funded will ensure that the municipality will be sustainable on the short term.

Planned savings and efficiencies.

The following areas were identified for possible savings after the efficiency of the usage of the assets/services has been evaluated:
Telephone costs
Overtime
Non-priority projects

The SA18 is detailing the funding in terms of grants.

Sustainability of municipality

The way that the budget is funded will ensure that the municipality will be sustainable on the short term.

Impact on tariffs

Water, sewerage together with the sundry tariffs is listed in tariffs schedule.

Planned savings and efficiencies

The following areas were identified for possible savings after the efficiency of the usage of the assets/services has been evaluated:

Telephone costs
Overtime
Nonpriority projects

Investments

Short-term investments are anticipated to take place during the budget financial year, but no investment is projected at year-end of the budget financial year.

Planned proceeds of sale of assets
No significant revenue is expected from the sale of redundant assets.

Planned use of previous year's cash backed accumulated surplus
The previous year's surplus is cash backed.

2.7 EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

There have been amendments to grants allocation as per provincial gazette allocation. The expectation is that the remaining balance on all grant's allocation will be exhausted at the end of the year.

Budgeted allocations and grants

Please refer to Supporting Table SA19: Expenditure on transfers and grant program.

DC26 Zululand - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
EXPENDITURE	1									
Operating										
National Government										
Monetary Allocations										
Local Government Equitable Share		788 376	884 132	1 042 724	400 220	606 997	606 997	490 447	506 631	530 564
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	4 000	3 000
Expanded Public Works Programme Integrated Grant		8 532	7 077	5 227	6 406	6 468	6 468	5 379	–	–
Local Government Financial Management Grant		1 200	1 200	1 189	1 300	1 380	1 380	1 500	1 600	1 800
Municipal Disaster Relief Grant		–	–	1 704	–	37 125	37 125	–	–	–
Municipal Infrastructure Grant		33 001	10 017	12 233	53 922	44 922	44 922	49 261	–	–
Municipal Systems Improvement Grant		–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant		–	–	9	–	–	–	57	–	–
Rural Road Asset Management Systems Grant		2 199	2 582	1 618	–	–	–	–	–	–
Water Services Infrastructure Grant		6 240	–	–	–	–	–	26	–	–
Total Monetary Allocations		**839 549**	**905 007**	**1 064 704**	**461 848**	**696 892**	**696 892**	**546 669**	**512 231**	**535 364**
Total National Government		**839 549**	**905 007**	**1 064 704**	**461 848**	**696 892**	**696 892**	**546 669**	**512 231**	**535 364**
Provincial Government										
Monetary Allocations										
Capacity Building and Other Grants		2 289	3 630	618	2 119	3 846	3 846	2 319	2 419	2 619
Total Monetary Allocations		**2 289**	**3 630**	**618**	**2 119**	**3 846**	**3 846**	**2 319**	**2 419**	**2 619**
Total Provincial Government		**2 289**	**3 630**	**618**	**2 119**	**3 846**	**3 846**	**2 319**	**2 419**	**2 619**
District Municipalities										
Monetary Allocations										
Other transfers/grants [insert description]										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Operating/District Municipalities		-	-	-	-	-	-	-	-	-
Other Grant Providers										
Monetary Allocations										
Electricity Distribution Industry Holdings		–	–	–	–	–	–	–	–	–
KwazuluNatal Provincial Planning and Development Commission		–	–	–	–	–	–	–	–	–
Local Government Water and Related Service SETA		478	1 694	724	–	328	328	–	–	–
National Skills Fund		59 320	100 634	–	–	12 200	12 200	–	–	–
Total Monetary Allocations		**59 798**	**102 328**	**724**	**-**	**12 527**	**12 527**	**-**	**-**	**-**
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Operating/Other Grant Providers		**59 798**	**102 328**	**724**	**-**	**12 527**	**12 527**	**-**	**-**	**-**
Total operating expenditure of Transfers and Grants		**901 636**	**1 010 965**	**1 066 045**	**463 967**	**713 266**	**713 266**	**548 988**	**514 650**	**537 983**
Capital										
National Government										
Monetary Allocations										
Municipal Infrastructure Grant		194 387	214 555	218 473	179 964	188 964	188 964	187 709	264 523	273 279
Regional Bulk Infrastructure Grant		218 770	362 622	377 830	473 459	473 459	473 459	321 757	268 068	323 583
Rural Road Asset Management Systems Grant		–	–	–	2 410	2 410	2 410	2 508	2 608	2 689
Water Services Infrastructure Grant		76 994	83 116	136 219	86 957	86 957	86 957	99 974	130 435	117 729
Total Monetary Allocations		**490 152**	**660 294**	**732 522**	**742 790**	**751 790**	**751 790**	**611 947**	**665 634**	**717 279**
Total National Government		**490 152**	**660 294**	**732 522**	**742 790**	**751 790**	**751 790**	**611 947**	**665 634**	**717 279**
Provincial Government										
Monetary Allocations										
Capacity Building and Other Grants		–	–	–	–	–	–	–	–	–
Infrastructure Grant		2 797	277	–	87	1 620	1 620	87	87	87
Total Monetary Allocations		**2 797**	**277**	**-**	**87**	**1 620**	**1 620**	**87**	**87**	**87**
Total Provincial Government		**2 797**	**277**	**-**	**87**	**1 620**	**1 620**	**87**	**87**	**87**
District Municipalities										
Monetary Allocations										
Other transfers/grants [insert description]										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/District Municipalities		-	-	-	-	-	-	-	-	-
Other Grant Providers										
Monetary Allocations										
Unspecified		–	9	–	–	–	–	–	–	–
Total Monetary Allocations		-	9	-	-	-	-	-	-	-
Allocations In-kind										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/Other Grant Providers		-	9	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		**492 948**	**660 570**	**732 522**	**742 877**	**753 410**	**753 410**	**612 034**	**665 721**	**717 366**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**1 394 584**	**1 671 535**	**1 798 567**	**1 206 844**	**1 466 676**	**1 466 676**	**1 161 022**	**1 180 371**	**1 255 349**

2.8 ALLOCATIONS OR GRANTS MADE BY THE MUNICIPALITY

Please refer to Supporting Table SA21 Transfers and grants made by the municipality.
The Municipality subsidies households and businesses through its relief program

DC26 Zululand - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Monetary Transfers to other municipalities											
Dm Kzn: Zululand - Planning &Dev	1	–	–	–	–	–	–	–	–	–	–
Total Monetary Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
Monetary Transfers to Entities/Other External Mechanisms											
Ts_O_M_Munic Ent	2	–	–	–	–	–	–	–	200	207	213
Total Monetary Transfers To Entities/Ems'		–	–	–	–	–	–	–	**200**	**207**	**213**
Monetary Transfers to other Organs of State											
Ts_O_M_Da&A_Nda_Lgw&Rs Seta Fire&Rescue	3	–	–	–	–	–	–	–	–	–	–
Ts_O_M_Da&A_Nda_Lgw&Rs Seta Waste Water		–	–	–	–	–	–	–	–	–	–
Total Monetary Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
Monetary Transfers to Organisations											
Total Monetary Transfers To Organisations		–	–	–	–	–	–	–	–	–	–
Monetary Transfers to Groups of Individuals											
Total Monetary Transfers To Groups Of Individuals:		–	–	–	–	–	–	–	–	–	–
TOTAL Monetary TRANSFERS AND GRANTS	6	–	–	–	–	–	–	–	**200**	**207**	**213**
In-Kind Transfers to other municipalities	1										
Total In-Kind Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
In-Kind Transfers to Entities/Other External Mechanisms	2										
Total In-Kind Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
In-Kind Transfers to other Organs of State	3										
Total In-Kind Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
In-Kind Grants to Organisations											
Ts_O_Ik_Np Ins_Unspecified	4	4 518	3 282	9 016	–	1 020	1 020	9 920	–	–	–
Total In-Kind Grants To Organisations		**4 518**	**3 282**	**9 016**	**–**	**1 020**	**1 020**	**9 920**	**–**	**–**	**–**
Groups of Individuals											
Hh Ssp Soc Ass: Poverty Relief	5	–	–	–	–	2 249	2 249	2 249	–	–	–
Ts_O_Ik_Hh_Soc Assis_Social Relief		165	252	48	–	–	–	–	–	–	–
Total In-Kind Grants To Groups Of Individuals:		**165**	**252**	**48**	**–**	**2 249**	**2 249**	**2 249**	**–**	**–**	**–**
TOTAL In-Kind TRANSFERS AND GRANTS		**4 683**	**3 534**	**9 064**	**–**	**3 269**	**3 269**	**12 168**	**–**	**–**	**–**
TOTAL TRANSFERS AND GRANTS	6	**4 683**	**3 534**	**9 064**	**–**	**3 269**	**3 269**	**12 168**	**200**	**207**	**213**

2.9 COUNCILLORS AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

Costs to Municipality: Councillors

Number of Councillors **37**

DC26 Zululand - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		–	83 940	769 613			853 553
Chief Whip			–	77 448	711 892			789 340
Executive Mayor				102 365	864 127			966 492
Deputy Executive Mayor				94 677	823 538			918 215
Executive Committee				159 883	2 343 112			2 502 995
Total for all other councillors			–	157 548	8 095 348			8 252 896
Total Councillors	8	–	–	**675 861**	**13 607 630**			**14 283 491**
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 385 799	13 858	411 786	–		1 811 443
Chief Finance Officer			1 009 472	10 095	310 929	–		1 330 496
MS			–		–	–		–
SM					–			–
SM COMM					150			150
SM COO			1 164 801	334 082	394 522	97 067		1 990 472
SM D01			1 299 055	12 991	382 785	108 255		1 803 086
SM D02			1 009 472	10 095	310 779	84 123		1 414 469
SM D03			1 009 472	10 095	310 124	–		1 329 691
SM D04			1 156 391	16 596	359 746	96 366		1 629 099
SM D06				–	–			–
SM D07			–	–	–	–		–
SM DCS			–	–	–	–		–
SM DTS			–	–	–	–		–
SM PLAN					150			150
SM TECH					150			150
								–
List of each offical with packages >= senior manager								
Total Senior Managers of the Municipality	8,10	–	**8 034 462**	**407 812**	**2 481 121**	**385 811**		**11 309 206**
A Heading for Each Entity	6,7							
List each member of board by designation								
								–
Total for municipal entities	8,10	–	–	–	–	–		–
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	**8 034 462**	**1 083 673**	**16 088 751**	**385 811**		**25 592 697**

2.10 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

The monthly targets for revenue and expenditure are provided in Supporting Table SA25 Budgeted monthly revenue and expenditure.

DC26 Zululand - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue																
Exchange Revenue																
Service charges - Electricity																
Service charges - Water		6 542	6 542	6 542	6 542	6 542	6 542	6 542	6 542	6 542	6 542	6 542	6 542	78 508	81 099	83 694
Service charges - Waste Water Management		1 771	1 771	1 771	1 771	1 771	1 771	1 771	1 771	1 771	1 771	1 771	1 772	21 258	21 959	22 662
Service charges - Waste Management																
Sale of Goods and Rendering of Services		159	159	159	159	159	159	159	159	159	159	159	159	1 903	1 966	2 029
Agency services																
Interest																
Interest earned from Receivables		85	85	85	85	85	85	85	85	85	85	85	85	1 015	1 049	1 083
Interest earned from Current and Non Current Assets		667	667	667	667	667	667	667	667	667	667	667	667	8 000	8 264	8 528
Dividends																
Rent on Land																
Rental from Fixed Assets		16	16	16	16	16	16	16	16	16	16	16	16	195	201	207
Licence and permits		17	17	17	17	17	17	17	17	17	17	17	17	200	207	213
Special rating levies																
Construction Contract Revenue																
Development Charges																
Operational Revenue		51	51	51	51	51	51	51	51	51	51	51	51	610	631	651
Non-Exchange Revenue																
Property rates																
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		33	33	33	33	33	33	33	33	33	33	33	33	400	413	426
Licences or permits																
Transfer and subsidies - Operational		63 206	63 206	63 206	63 206	63 206	63 206	63 206	63 206	63 206	63 206	63 206	63 206	758 474	797 882	816 894
Interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fuel Levy																
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations																
Total Revenue (excluding capital transfers and contributions)		**72 547**	**72 547**	**72 547**	**72 547**	**72 547**	**72 547**	**72 547**	**72 547**	**72 547**	**72 547**	**72 547**	**72 547**	**870 564**	**913 671**	**936 388**
Expenditure																
Employee related costs		32 015	32 015	32 015	32 015	32 015	32 015	32 015	32 015	32 015	32 015	32 015	32 013	384 180	391 355	403 878
Remuneration of councillors		1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	14 283	14 755	15 227
Bulk purchases - electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Inventory consumed		865	865	865	865	865	865	865	865	865	865	865	865	10 380	10 718	11 057
Debt impairment		465	465	465	465	465	465	465	465	465	465	465	465	5 580	5 764	5 949
Depreciation, amortisation and impairment		7 583	7 583	7 583	7 583	7 583	7 583	7 583	7 583	7 583	7 583	7 583	7 583	91 000	94 003	97 011
Interest, Dividends and Rent on Land		633	633	633	633	633	633	633	633	633	633	633	633	7 593	7 844	9 099
Contracted services		6 853	6 853	6 853	6 853	6 853	6 853	6 853	6 853	6 853	6 853	6 853	6 853	82 238	38 306	45 423
Transfers and subsidies		17	17	17	17	17	17	17	17	17	17	17	17	200	207	213
Irrecoverable debts written off		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational costs		3 875	3 875	3 875	3 875	3 875	3 875	3 875	3 875	3 875	3 875	3 875	3 874	46 498	47 731	49 230
Disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**53 496**	**53 496**	**53 496**	**53 496**	**53 496**	**53 496**	**53 496**	**53 496**	**53 496**	**53 496**	**53 496**	**53 493**	**641 952**	**610 682**	**637 088**
Surplus/(Deficit)		**19 051**	**19 051**	**19 051**	**19 051**	**19 051**	**19 051**	**19 051**	**19 051**	**19 051**	**19 051**	**19 051**	**19 054**	**228 612**	**302 988**	**299 300**
Transfers and subsidies - capital (monetary allocations)		63 374	63 374	63 374	63 374	63 374	63 374	63 374	63 374	63 374	63 374	63 374	63 374	760 484	765 479	824 871
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 428**	**989 096**	**1 068 467**	**1 124 171**
Income Tax																
Surplus/(Deficit) after income tax		**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 428**	**989 096**	**1 068 467**	**1 124 171**
Share of Surplus/Deficit attributable to Joint Venture																
Share of Surplus/Deficit attributable to Minorities																
Surplus/(Deficit) attributable to municipality		**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 428**	**989 096**	**1 068 467**	**1 124 171**
Share of Surplus/Deficit attributable to Associate																
Intercompany/Parent subsidiary transactions																
Surplus/(Deficit) for the year	1	**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 424**	**82 428**	**989 096**	**1 068 467**	**1 124 171**

The monthly targets for cash flows are provided in Supporting Table SA30 Budgeted monthly cash flow.

DC26 Zululand - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash Receipts By Source													1		
Property rates															
Service charges - electricity revenue															
Service charges - water revenue	4 535	4 535	4 535	4 535	4 535	4 535	4 535	4 535	4 535	4 535	4 535	4 536	54 426	56 222	58 021
Service charges - sanitation revenue	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	16 096	16 628	17 160
Service charges - refuse revenue															
Rental of facilities and equipment	19	19	19	19	19	19	19	19	19	19	19	19	224	231	239
Interest earned - external investments	667	667	667	667	667	667	667	667	667	667	667	667	8 000	8 264	8 528
Interest earned - outstanding debtors	51	51	51	51	51	51	51	51	51	51	51	51	609	629	650
Dividends received															
Fines, penalties and forfeits	33	33	33	33	33	33	33	33	33	33	33	33	400	413	426
Licences and permits	17	17	17	17	17	17	17	17	17	17	17	17	200	207	213
Agency services															
Transfers and Subsidies - Operational	63 206	63 206	63 206	63 206	63 206	63 206	63 206	63 206	63 206	63 206	63 206	63 206	758 474	797 882	816 894
Other revenue	98	98	98	98	98	98	98	98	98	98	98	98	1 177	1 216	1 255
Cash Receipts by Source	**69 967**	**69 967**	**69 967**	**69 967**	**69 967**	**69 967**	**69 967**	**69 967**	**69 967**	**69 967**	**69 967**	**69 967**	**839 606**	**881 692**	**903 385**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	63 374	63 374	63 374	63 374	63 374	63 374	63 374	63 374	63 374	63 374	63 374	63 374	760 484	765 479	824 871
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)															
Proceeds on Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans															
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vat Control (receipts)	8 612	8 612	8 612	8 612	8 612	8 612	8 612	8 612	8 612	8 612	8 612	8 612	103 347	104 738	113 520
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments															
Insurance Refund - Capital															
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments															
Total Cash Receipts by Source	**141 953**	**141 953**	**141 953**	**141 953**	**141 953**	**141 953**	**141 953**	**141 953**	**141 953**	**141 953**	**141 953**	**141 953**	**1 703 437**	**1 751 909**	**1 841 777**
Cash Payments by Type															
Employee related costs	32 015	32 015	32 015	32 015	32 015	32 015	32 015	32 015	32 015	32 015	32 015	32 013	384 180	391 355	403 878
Remuneration of councillors	1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	14 283	14 755	15 227
Finance charges															
Bulk purchases - Electricity	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Acquisition inventory - water and other inventory	995	995	995	995	995	995	995	995	995	995	995	995	11 937	12 326	12 716
Contracted services	15 532	15 532	15 532	15 532	15 532	15 532	15 532	15 532	15 532	15 532	15 532	15 531	186 379	143 910	159 842
Transfers and subsidies - other municipalities															
Transfers and subsidies - other	19	19	19	19	19	19	19	19	19	19	19	19	230	238	245
Other expenditure	4 456	4 456	4 456	4 456	4 456	4 456	4 456	4 456	4 456	4 456	4 456	4 456	53 472	54 891	56 615
Cash Payments by Type	**54 207**	**54 207**	**54 207**	**54 207**	**54 207**	**54 207**	**54 207**	**54 207**	**54 207**	**54 207**	**54 207**	**54 204**	**650 482**	**617 474**	**648 523**
Other Cash Flows/Payments by Type															
Capital assets	51 003	51 003	51 003	51 003	51 003	51 003	51 003	51 003	51 003	51 003	51 003	142 808	703 839	765 579	824 971
Retention (Capital)															
Repayment of borrowing	1 476	1 476	1 476	1 476	1 476	1 476	1 476	1 476	1 476	1 476	1 476	1 476	17 712	17 712	17 712
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	**106 686**	**106 686**	**106 686**	**106 686**	**106 686**	**106 686**	**106 686**	**106 686**	**106 686**	**106 686**	**106 686**	**198 488**	**1 372 032**	**1 400 765**	**1 491 205**
NET INCREASE/(DECREASE) IN CASH HELD	**35 267**	**35 267**	**35 267**	**35 267**	**35 267**	**35 267**	**35 267**	**35 267**	**35 267**	**35 267**	**35 267**	**(56 534)**	**331 405**	**351 144**	**350 571**
Cash/cash equivalents at the month/year begin:	280 343	315 610	350 877	386 144	421 412	456 679	491 946	527 213	562 481	597 748	633 015	668 282	280 343	611 748	962 892
Cash/cash equivalents at the month/year end:	315 610	350 877	386 144	421 412	456 679	491 946	527 213	562 481	597 748	633 015	668 282	611 748	611 748	962 892	1 313 464

2.11 ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS INTERNAL DEPARTMENTS

Attached as Annexure

2.12 ANNUAL BUDGETS AND SERVICE DELIVERY AGREEMENTS – MUNICIPAL ENTITIES AND OTHER EXTERNAL MECHANISMS

The Municipality does not have an active entity

2.13 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

DC26 Zululand - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2025/26	2026/27 Medium Term Revenue & Expenditure Framework			Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Forecast 2033/34	Forecast 2034/35	Forecast 2035/36	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
New Contract Nr 1		–	280	308	339	373	410	451	496	546	600	660	726	5 190
														–
														–
Total Operating Revenue Implication		–	280	308	339	373	410	451	496	546	600	660	726	5 190
Expenditure Obligation By Contract	2													
														–
														–
														–

2.14 CAPITAL EXPENDITURE DETAILS

Information/detail regarding capital projects by vote is provided in Supporting Table SA36: Detailed
Capital budget.

DC26 Zululand - Supporting Table SA36 Detailed capital budget

R thousand													2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Parent municipality:																					
List all capital projects grouped by Function																					
Administrative And Corporate Support	Furniture	1C80263885_IB085	NEW	ent; effective and development-oriented public	Growth	MUNICIPAL STRATEGIC OBJECT	*Furniture And Office Equipment*	*Furniture And Office Equipment*	ADMIN OR HEAD OFFICE		0		37088	2209477.89	0	0	–	–	–	–	–
Asset Management	Computers (Hydacom)	1C80263884_IB082	NEW	ent; effective and development-oriented public	Growth	MUNICIPAL STRATEGIC OBJECT	*Computer Equipment*	*Computer Equipment*	ADMIN OR HEAD OFFICE		0		515528.28	0	0	0	–	–	–	–	–
Cultural Matters	Equipment	1C80263889_IB092	NEW		Growth	MUNICIPAL STRATEGIC OBJECT	*Machinery And Equipment*	*Machinery And Equipment*	ADMIN OR HEAD OFFICE		0		0	276732	0	84957	174	–	87	87	87
Finance	Computers	1C80263884_IB091	NEW	ent; effective and development-oriented public	Growth	MUNICIPAL STRATEGIC OBJECT	*Computer Equipment*	*Computer Equipment*	ADMIN OR HEAD OFFICE		0		143541	59007	0	0	–	–	–	–	–
Support To Local Municipalities	Rural Roads Asset Mngt	2019020089_IB091	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	*Roads Infrastructure*	*Roads*	ADMIN OR HEAD OFFICE		0		0	0	0	241543	2 410	–	2 508	2 608	2 689
Support To Local Municipalities	Computers	1C80263884_IB091	NEW	ent; effective and development-oriented public	Growth	MUNICIPAL STRATEGIC OBJECT	*Computer Equipment*	*Computer Equipment*	ADMIN OR HEAD OFFICE		0		60671.5	0	0	0	–	–	–	–	–
Water Distribution	Borehole Intervention Programme	2019020040_IB092	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	*Water Supply Infrastructure*	*Boreholes*	ADMIN OR HEAD OFFICE		0		0	0	1369884.82	0	1 446	–	–	–	–
Water Distribution	HlahlindlelaEmondlo Rwss	2019020040_IB092	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	*Water Supply Infrastructure*	*Boreholes*	REGION - KZN291 NONGOMA		0		8564661.95	7204	0	7578783	7 998	–	–	–	–
Water Distribution	Rudimentary Water Supply	2019020040_IB092	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	*Water Supply Infrastructure*	*Boreholes*	REGION - KZN291 UPHONGOLO		0		6884124.38	0	4863005.62	0	21 360	–	2 273	–	–
Water Distribution	Rudimentary Water Supply	2019020040_IB092	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	*Water Supply Infrastructure*	*Boreholes*	REGION - KZN291 ABAQULUSI		0		3161921.47	0	7960052.6	0	–	–	2 273	–	–
Water Distribution	Rudimentary Water Supply	2019020040_IB092	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	*Water Supply Infrastructure*	*Boreholes*	REGION - KZN281 EDUMBE		0		0	0	0	1521810	–	–	–	–	–
Water Distribution	Rudimentary Water Supply	2019020040_IB092	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	*Water Supply Infrastructure*	*Boreholes*	REGION - KZN291 NONGOMA		0		0	4987908.75	8776032.79	4522910	930	–	–	–	–
Water Distribution	Rudimentary Water Supply	2019020040_IB092	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	*Water Supply Infrastructure*	*Boreholes*	REGION - KZN291 ULUNDI		0		14907719	21642300.49	10229906.2	6506490	5 566	–	3 645	284 523	273 270
Water Distribution	SimdlangentshaCentral Water Supply	2019020040033_IB092	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	*Water Supply Infrastructure*	*Reservoirs*	REGION - KZN291 UPHONGOLO		0		3270342.6	9197077.23	11051567.9	0	–	–	–	–	–
Water Distribution	Simdlangentsha West Ph2.1	2019020040035_IB092	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	*Water Supply Infrastructure*	*Water Treatment Works*	REGION - KZN291 EDUMBE		0		11505639.95	84258147.78	23245360.99	63881319	67 781	–	74 932	–	–
Water Distribution	Upgrade Of Ulundi Wtw	2019020040035_IB092	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	*Water Supply Infrastructure*	*Water Treatment Works*	REGION - KZN291 ULUNDI		0		21189187.8	38655639.43	41518837.58	32363050	15 313	–	20 419	–	–
Water Distribution	Khambi	2019020040060_IB092	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	*Water Supply Infrastructure*	*Bulk Mains*	REGION - KZN291 UPHONGOLO		0		11972910.35	4583621.52	0	1963000	2 163	–	–	–	–
Water Distribution	Mandlakazi (Zwaf)	2019020040060_IB092	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	*Water Supply Infrastructure*	*Bulk Mains*	REGION - KZN291 NONGOMA		0		40851748.23	132995095.7	218770254.8	82352712	62 353	–	63 215	266 058	323 583
Water Distribution	Mandlakazi (Zwaf)	2019020040060_IB092	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	*Water Supply Infrastructure*	*Bulk Mains*	REGION - KZN291 UPHONGOLO		0		22032817.2	23061613.51	0	36909647	411 166	–	258 542	–	–
Water Distribution	Simdlangentsha East Rwss	2019020040060_IB092	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	*Water Supply Infrastructure*	*Bulk Mains*	REGION - KZN291 UPHONGOLO		0		5271501	458636	15863104.52	6172201	1 172	–	4 579	–	–
Water Distribution	Water Services Infrastructure Grant	2019020040060_IB092	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	*Water Supply Infrastructure*	*Bulk Mains*	REGION - KZN291 ABAQULUSI		0		12131884.52	13747672.37	15089674.97	0	–	–	–	–	–
Water Distribution	Water Services Infrastructure Grant	2019020040060_IB092	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	*Water Supply Infrastructure*	*Bulk Mains*	REGION - KZN291 NONGOMA		0		74890769.58	82520463.94	126770782.35	56286155	56 286	–	31 681	–	–
Water Distribution	Water Services Infrastructure Grant	2019020040060_IB092	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	*Water Supply Infrastructure*	*Bulk Mains*	REGION - KZN291 ULUNDI		0		35837342.37	56491466.64	33631674.74	0	15 000	–	31 715	–	–
Water Distribution	Water Services Infrastructure Grant	2019020040060_IB092	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	*Water Supply Infrastructure*	*Bulk Mains*	REGION - KZN291 UPHONGOLO		0		0	0	0	0	15 670	–	–	–	–
Water Distribution	Water Services Infrastructure Grant	2019020040060_IB092	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	*Water Supply Infrastructure*	*Bulk Mains*	WHOLE OF THE DISTRICT		0		0	0	2521425.56	31973307	–	–	136 438	117 722	–
Water Distribution	Wrig - Pongola	2019020040060_IB092	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	*Water Supply Infrastructure*	*Bulk Mains*	REGION - KZN291 NONGOMA		0		0	0	0	0	–	–	36 580	–	–
Water Distribution	Mandlakazi Rwss Ph 3	2019020040037_IB092	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	*Water Supply Infrastructure*	*Distribution*	REGION - KZN291 NONGOMA		0		31837368.43	22993322.81	0	23989013	65 139	–	53 831	–	–
Water Distribution	Rudimentary Water Supply Phase 2	2019020040037_IB092	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	*Water Supply Infrastructure*	*Distribution*	WHOLE OF THE DISTRICT		0		0	0	0	0	–	–	25 764	–	–
Water Distribution	Zululand Small Wss	2019020040037_IB092	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	*Water Supply Infrastructure*	*Distribution*	REGION - KZN291 ABAQULUSI		0		137710	9981782.11	6222606.92	1537288	1 522	–	–	–	–
Water Distribution	Rudimentary Water Supply	2019020040035_IB092	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	*Water Supply Infrastructure*	*Distribution Points*	REGION - KZN291 NONGOMA		0		0	0	0	11051194	–	–	–	–	–
Water Distribution	Backup Generators	1C80263889_IB092	NEW		Growth	MUNICIPAL STRATEGIC OBJECT	*Machinery And Equipment*	*Machinery And Equipment*	ADMIN OR HEAD OFFICE		0		4920/2415.6	0	0	0	6 673	–	–	–	–
Parent Capital expenditure																	760 982	–	612 934	668 725	717 348

2.15 LEGISLATION COMPLIANCE STATUS

Zululand District Municipality complies in general with legislation applicable to municipalities.

- **MSCOA Regulations**

  The Municipality is fully compliant with the MSCOA regulation as from 01 July 2018.

- **In year reporting**

  Reporting to National Treasury in electronic format is fully complied with on monthly basis. Municipality send a data string every month Section 71 reporting to the Executive Mayor (within 10 working days) is also complied with.

- **Internship programme**

  The Municipality is participating in the Municipal Financial Management Internship programme and is already recruited five individuals who undergo training in various divisions of the Financial Services Department.

- **Budget and Treasury Office**

  The Budget and Treasury Office has been established in accordance with the MFMA.
- **Audit Committee**

  The Audit Committee has met three times already this financial year compared to four times per financial year as legislated.
- **Annual Report**

  The Final annual report was approved at the end of March 2026, within nine months after the end of a financial year as required by Section 128 of MFMA, and it is 100% Complete.

2.16 OTHER SUPPORTING DOCUMENTS

DC26 Zululand - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
REVENUE ITEMS:											
Exchange revenue											
Service charges - Electricity	6										
Appliance Maintenance											
Availability Charges											
Connection/Reconnection											
Electricity Distribution Revenue for Services											
Electricity Sales											
Joint Pole Usage											
Meter Compliance Testing											
Meter Reading Fees											
Notice Revenues											
Temporary Service Plant											
Total Service charges - Electricity		-	-	-	-	-	-	-	-	-	-
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)											
Less Cost of Free Basis Services (50 kwh per indigent household per month)											
Net Service charges - Electricity		-	-	-	-	-	-	-	-	-	-
Service charges - Water	6										
Agricultural and Rural Water Service											
Availability Charges		-	-	3	-	5	5	9	-	-	-
Connection/Disconnection		101	126	332	222	662	662	643	255	264	272
Industrial Water											
Meter Reading Fees											
Sale		43 779	58 403	55 043	68 795	50 550	50 550	45 099	84 100	86 875	89 655
Urban Higher Level Service											
Total Service charges - Water		**43 880**	**58 529**	**55 378**	**69 017**	**51 217**	**51 217**	**45 751**	**84 355**	**87 138**	**89 927**
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		(4 710)	348	36	(5 063)	-	-	-	(5 847)	(6 039)	(6 233)
Net Service charges - Water		**39 170**	**58 877**	**55 414**	**63 954**	**51 217**	**51 217**	**45 751**	**78 508**	**81 099**	**83 694**
Service charges - Waste Water Management	6										
Agricultural and Rural											
Availability Charges		-	-	-	-	-	-	-	-	-	-
Connection/Reconnection		(12)	2	3	3	8	8	6	3	3	4
Higher Level Service											
Industrial Effluent											
Industrial Waste Water											
Pump/Removal of Waste Water		1 049	1 515	1 744	1 362	1 695	1 695	1 647	1 425	1 472	1 519
Sanitation Charges		13 794	14 507	16 382	17 129	15 276	15 276	12 842	19 829	20 484	21 139
Treatment of Effluent											
Total Service charges - Waste Water Management		**14 831**	**16 024**	**18 129**	**18 494**	**16 979**	**16 979**	**14 495**	**21 258**	**21 959**	**22 662**
Less Revenue Foregone (in excess of free sanitation service to indigent households)											
Less Cost of Free Basis Services (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
Net Service charges - Waste Water Management		**14 831**	**16 024**	**18 129**	**18 494**	**16 979**	**16 979**	**14 495**	**21 258**	**21 959**	**22 662**

Sales of Goods and Rendering of Services										
Academic Services										
Advertisements										
Amendment Fees										
Application Fees for Land Usage										
Building Plan Approval										
Building Plan Clause Levy										
Buyers Card										
Camping Fees										
Cemetery and Burial										
Cleaning and Removal										
Clearance Certificates	0	0	0	0	1	1	1	3	3	3
Computer Services										
Day Care Fees										
Demolition Application Fees										
Development Charges										
Domestic Services										
Drainage Fees										
Encroachment Fees										
Entrance Fees	26	-	-	-	-	-	-	-	-	-
Escort Fees										
Exempted Parking										
Fire Services										
Health Services										
Housing (Boarding Services)										
Immunisation Fees										
Laboratory Services										
Legal Fees										
Library Fees										
Management Fees										
Meal and Refreshment										
Membership Fees										
Objections and Appeals										
Occupation Certificates	-	-	-	-	-	-	-	-	-	-
Parking Fees										
Photo copies, Faxes and Telephone charges										
Removal of Restrictions										
Sale of Carbon Credits										
Sale of Goods	1 399	617	627	800	1 501	1 501	1 009	1 900	1 963	2 026
Scrap, Waste & Other Goods										
Shared Services	-	143	-	-	-	-	-	-	-	-
Squatter Re-allocation										
Stone and Gravel										
Streets/Street Markets (Informal Traders)										
Town Planning and Servitudes										
Traffic Control										
Transport Fees										
Valuation Services										
Water Meter Protectors										
Weighbridge Fees										
Total Sales of Goods and Rendering of Services	**1 426**	**760**	**627**	**800**	**1 502**	**1 502**	**1 010**	**1 903**	**1 966**	**2 029**

Interest earned from Receivables										
Affiliates/Related Parties/Associated Companies										
Electricity										
Housing										
Housing Land Sales										
Housing Selling Schemes										
Merchandising, Jobbing and Contracts										
Property Rental Debtors	0	6	15	2	25	25	22	15	16	16
SARS										
Service Charges	1	(1)	1	2	13	13	11	2	2	2
Sporting and Other Bodies										
Staff										
Waste Management										
Waste Water Management	17	55	85	56	85	85	72	132	136	140
Water	57	631	644	798	524	524	411	866	895	924
Shared Services										
Total Interest earned from Receivables	**75**	**691**	**746**	**858**	**648**	**648**	**515**	**1 015**	**1 049**	**1 083**
Interest earned from Current and Non Current Assets										
Bank Accounts	1 637	3 031	1 717	3 000	3 225	3 225	2 167	3 000	3 099	3 198
Financial Assets										
Short Term Investments and Call Accounts	5 797	12 427	6 412	5 000	2 580	2 580	1 881	5 000	5 165	5 330
Total Interest earned from Current and Non Current Assets	**7 433**	**15 458**	**8 129**	**8 000**	**5 804**	**5 804**	**4 048**	**8 000**	**8 264**	**8 528**
Dividends										
External Investment										
Municipal Entities										
Total Dividends	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Rent on Land										
Land										
Prospecting, Mining, Royalties										
Servitudes										
Total Rent on Land	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Rental from Fixed Assets										
Market Related										
Biological Assets										
Heritage Assets										
Investment Property										
Property Plant and Equipment	181	559	463	504	482	482	409	195	201	207
Total Market Related	**181**	**559**	**463**	**504**	**482**	**482**	**409**	**195**	**201**	**207**
Non-market Related										
Biological Assets										
Heritage Assets										
Investment Property										
Property Plant and Equipment										
Total Non-market Related	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Licences or Permits										
Angling/Fishing										
Atmospheric Emissions	-	-	-	-	-	-	-	-	-	-
Boat										
Dog										
Fauna and Flora										
Filming Fees										
Game										
Health Certificates	76	107	277	295	184	184	163	200	207	213
Hiking Trails										
Hoarding (Collecting/Storing)										
Market Porters										
Road and Transport										
Threatened and Protected Species										
Trading	11	-	-	-	-	-	-	-	-	-
Total Licences or Permits	**88**	**107**	**277**	**295**	**184**	**184**	**163**	**200**	**207**	**213**
Special Rating Levies										
Agricultural Properties										
Business and Commercial Properties										
Industrial Properties										
Mining Properties										
Public Benefit Organisations										
Public Service Infrastructure Properties										
Public Service Purposes Properties										
Residential Properties										
Residential Sectional Title Garages										
Sport Clubs and Fields										
Vacant Land										
Total Special Rating Levies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Construction Contract Revenue										
Development Charges										
Operational Revenue										
Administrative Handling Fees	8	-	-	-	-	-	-	-	-	-
Arbor City Awards Competition										
Bad Debts Recovered										
Bontle Ke Botho Cleaning and Greening Award										
Breakages and Losses Recovered	-	-	-	-	3	3	2	-	-	-
Bursary Repayment	-	-	-	-	-	-	-	-	-	-
Collection Charges										
Commission	-	8	7	8	6	6	5	10	10	11
Discounts and Early Settlements	-	-	-	-	-	-	-	-	-	-
Incidental Cash Surpluses										
Inspection Fees	4	-	19	104	-	-	-	100	104	107
Insurance Refund	-	35	969	754	-	-	-	-	-	-
Merchandising, Jobbing and Contracts										
Recovery Maintenance										
Registration Fees	16	45	38	60	84	84	50	100	103	107
Request for Information										
Sale of Property										
Skills Development Levy Refund	535	506	509	417	424	424	156	400	413	426
Staff and Councillors Recoveries	-	-	-	-	3	3	14	-	-	-
Total Operational Revenue	**563**	**594**	**1 542**	**1 344**	**519**	**519**	**226**	**610**	**631**	**651**

Total Operational Revenue	**563**	**594**	**1 542**	**1 344**	**519**	**519**	**226**	**610**	**631**	**651**
Non-Exchange revenue										
Property Rates										
Agricultural Properties										
Business and Commercial Properties										
Industrial Properties										
Mining Properties										
Public Benefit Organisations										
Public Service Infrastructure Properties										
Public Service Purposes Properties										
Residential Properties										
Residential Sectional Title Garages										
Sport Clubs and Fields										
Vacant Land										
Total Property Rates	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Less Revenue Foregone (exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)										
Net Property Rates	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Surcharges and Taxes										
Surcharges	-	-	-	-	-	-	-	-	-	-
Taxes										
Total Surcharges and Taxes	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Fines, Penalties and Forfeits										
Fines	-	-	-	-	-	-	-	-	-	-
Forfeits	757	210	0	0	-	-	-	-	-	-
Penalties	153	665	449	605	258	258	207	400	413	426
Total Fines, Penalties and Forfeits	**910**	**875**	**449**	**605**	**258**	**258**	**207**	**400**	**413**	**426**
Licences or Permits										
Angling/Fishing										
Atmospheric Emission										
Boat										
Dog										
Fauna and Flora										
Filming Fees										
Game										
Health Certificates										
Hiking Trails										
Hoarding (Collecting/Storing)										
Market Porters										
Road and Transport										
Threatened and Protected Species										
Trading										
Total Licences or Permits	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer and subsidies - Operational										
Allocations In-kind										
Departmental Agencies and Accounts										
District Municipalities										
Foreign Government and International Organisations										
Higher Educational Institutions										
Households										
National Government										
Non-Profit Institutions										
Parent Municipality										
Private Enterprises										
Provincial Government										
Public Corporations										
Total Allocations In-kind	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Monetary Allocations										
Departmental Agencies and Accounts	60 091	102 328	724	-	12 527	12 527	327	-	-	-
District Municipalities										
Foreign Government and International Organisations										
Higher Educational Institutions										
Households	-	-	-	-	-	-	-	-	-	-
National Governments	9 717	8 277	8 387	7 706	44 831	44 831	14 488	6 879	5 600	4 800
National Revenue Fund	586 391	631 671	670 187	710 459	710 459	710 459	710 459	749 176	789 763	809 375
Non-Profit Institutions										
Parent Municipality										
Private Enterprises										
Provincial Government	2 631	4 168	1 285	2 219	4 777	4 777	3 181	2 419	2 519	2 719
Public Corporations										
Total Monetary Allocations	**658 830**	**746 444**	**680 583**	**720 384**	**772 595**	**772 595**	**728 454**	**758 474**	**797 882**	**816 894**
Total Transfer and subsidies - Operational	**658 830**	**746 444**	**680 583**	**720 384**	**772 595**	**772 595**	**728 454**	**758 474**	**797 882**	**816 894**

Total Transfer and subsidies - Operational		658 830	746 444	680 583	720 384	772 595	772 595	728 454	758 474	797 882	816 894
Interest Receivables											
Property Rates											
Service Charges											
Electricity											
Waste Management											
Waste Water Management		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Total Service Charges		-	-	-	-	-	-	-	-	-	-
Total Interest Receivables		-	-	-	-	-	-	-	-	-	-
Fuel Levy (RSC Replacement Grant)											
Operational Revenue - Service Charges											
Electricity - Availability Charges											
Waste Management - Availability Charges											
Waste Water Management - Availability Charges		-	-	-	-	-	-	-	-	-	-
Water - Availability Charges		-	-	-	-	-	-	-	-	-	-
Total Operational Revenue - Service Charges		-	-	-	-	-	-	-	-	-	-
Gains on Disposal of Fixed and Intangible Assets											
Biological Assets											
Heritage Assets		-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-
Investment Property											
Living resources											
Property, Plant and Equipment		2 894	680	-	-	-	-	-	-	-	-
Total Disposal of Fixed and Intangible Assets		2 894	680	-	-	-	-	-	-	-	-
Other Gains											
Debt waived											
Discontinued Operations and Disposals of Non-current Assets											
Inventory											
Fair value assessment - Water stock											
Increase to net-realisable Value		174	-	-	-	-	-	-	-	-	-
Total Inventory		174	-	-	-	-	-	-	-	-	-
Fair Value Adjustment											
Actuarial Assessments											
Leave Gratuity		-	-	-	-	-	-	-	-	-	-
Long Service Awards		2 173	923	-	-	-	-	-	-	-	-
Medical		2 038	4 781	1 706	-	-	-	-	-	-	-
Pension Funds		-	-	-	-	-	-	-	-	-	-
Total Actuarial Assessments		4 211	5 704	1 706	-	-	-	-	-	-	-
Biological Assets											
Heritage Assets											
Interest rate Swaps											
Investment Property											
Investments											
Living resources											
Total Fair Value Adjustment		4 211	5 704	1 706	-	-	-	-	-	-	-
Foreign Exchange											
Contributions to Provisions for landfill sites											
Total Other Gains		4 385	5 704	1 706	-	-	-	-	-	-	-
Discontinued Operations											
Total Revenue		730 785	846 773	768 065	815 238	850 188	850 188	795 276	870 564	913 671	936 388

EXPENDITURE ITEMS:											
Employee related costs											
Salaries and Allowances											
Basic Salary	2	191 171	209 315	224 753	201 516	201 600	201 600	202 657	259 407	262 570	270 972
Bonuses		650	707	628	381	381	381	93	386	399	411
Allowance											
Accommodation, Travel and Incidental		-	-	6	-	-	-	36	-	-	-
Cellular and Telephone		997	1 098	1 145	1 105	1 105	1 105	958	1 204	1 243	1 283
Housing Benefits		1 682	1 712	1 763	1 786	1 786	1 786	1 510	1 853	1 914	1 975
Non-pensionable		345	462	1 148	285	285	285	191	255	263	272
Travel or Motor Vehicle		11 997	13 487	25 917	24 586	24 586	24 586	23 685	31 074	32 100	33 127
Voluntary Work		-	-	-	-	-	-	-	-	-	-
Total Allowance		15 022	16 760	29 980	27 761	27 761	27 761	26 380	34 386	35 521	36 657
Service Related Benefits											
Acting		1 288	603	981	-	-	-	900	-	-	-
Bonus		12 696	13 868	14 860	15 389	15 389	15 389	12 729	17 862	18 452	19 042
Danger Allowance											
Entertainment		-	-	-	-	-	-	-	-	-	-
Fire Brigade		12	12	10	-	-	-	8	789	815	841
In-kind Benefits		-	-	-	-	-	-	-	-	-	-
Leave Pay		5 898	6 562	5 645	-	-	-	2 196	-	-	-
Lifeguard/Duty Squads											
Long Service Award		3 491	3 289	1 961	-	-	-	1 626	-	-	-
Overtime		6 703	8 782	10 127	5 314	5 314	5 314	8 336	6 016	6 215	6 414
Scarcity		-	-	-	-	-	-	-	-	-	-
Standby Allowance		3 848	5 234	2 783	-	-	-	2 455	2 586	2 672	2 757
Tools Allowance		-	-	-	-	-	-	-	-	-	-
Uniform-Special-Protective Clothing		-	-	-	-	-	-	-	-	-	-
Leave gratuity											
Long Term Service Award											
Total Service Related Benefits		33 936	38 350	36 368	20 703	20 703	20 703	28 250	27 254	28 153	29 054
Total Salaries and Allowances		240 779	265 132	291 729	250 362	250 446	250 446	257 380	321 433	326 642	337 095
Social Contributions											
Bargaining Council		168	199	214	119	119	119	195	246	204	210
Group Life Insurance		-	-	-	-	-	-	-	-	-	-
Medical		14 919	17 015	19 081	19 226	19 226	19 226	17 892	23 364	24 135	24 907
Pension		23 488	25 740	28 719	30 233	30 233	30 233	26 635	36 543	37 749	38 957
Unemployment Insurance		1 545	1 630	1 707	2 073	2 074	2 074	1 480	2 594	2 626	2 710
Total Social Contributions		40 121	44 584	49 721	51 651	51 652	51 652	46 202	62 747	64 713	66 784
Post-retirement Benefit											
Medical		5 393	5 352	1 899	-	-	-	-	-	-	-
Other Benefits		-	-	-	-	-	-	-	-	-	-
Pension		-	-	-	-	-	-	-	-	-	-
Total Post-retirement Benefit	4	5 393	5 352	1 899	-	-	-	-	-	-	-
Sub-Total		286 293	315 068	343 349	302 013	302 098	302 098	303 583	384 180	391 355	403 878
Less: Employees costs capitalised to PPE											
Total Employee Related Cost	1,5	286 293	315 068	343 349	302 013	302 098	302 098	303 583	384 180	391 355	403 878

Remuneration of Councillors											
Allowances and Service Related Benefits											
Basic Salary		-	-	-	-	-	-	-	-	-	-
Cell phone Allowance		681	859	781	778	778	778	617	691	714	737
Housing Allowance		360	180	-	-	-	-	-	-	-	-
In-kind Benefits		-	-	-	-	-	-	-	-	-	-
Market Related Non-pensionable Allowance		-	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1 889	2 224	2 322	2 257	2 257	2 257	1 927	2 147	2 218	2 289
Office-bearer Allowance		5 782	6 525	6 789	8 605	8 605	8 605	5 586	10 770	11 125	11 481
Out of pocket Expenses		-	-	-	-	-	-	-	-	-	-
Travelling Allowance		-	17	-	-	-	-	-	-	-	-
Use of Personal Facilities		-	-	-	-	-	-	-	-	-	-
Total Allowances and Service Related Benefits		**8 713**	**9 804**	**9 892**	**11 640**	**11 640**	**11 640**	**8 129**	**13 608**	**14 057**	**14 506**
Social Contributions											
Medial Aid Benefits		54	41	58	-	-	-	62	68	71	73
Pension Fund Contributions		509	517	588	-	-	-	490	607	628	648
Total Social Contributions		**563**	**558**	**646**	**-**	**-**	**-**	**552**	**676**	**698**	**721**
Total Remuneration of Councillors	1.5	**9 276**	**10 362**	**10 539**	**11 640**	**11 640**	**11 640**	**8 681**	**14 283**	**14 755**	**15 227**
Bulk Purchases - Electricity											
ESKOM		-	-	-	-	-	-	1	-	-	-
Independent Power Producers											
Green Electricity											
Green Charges											
Green Rights and Certificates											
Total Green Electricity		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Renewable, Cogen, etc											
Total Independent Power Producers		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Self Generation											
Capitalisation Electricity Costs (Credit Account)											
Total Bulk Purchases - Electricity	1	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**-**	**-**	**-**
Inventory Consumed											
Agricultural											
Consumables		1 337	1 868	1 705	500	500	500	444	560	577	593
Finished Goods											
Housing Stock											
Land											
Materials and Supplies		7 969	5 752	3 746	2 750	2 545	2 545	1 485	1 320	1 361	1 403
Water		42 673	37 711	54 041	7 000	7 000	7 000	(6)	8 500	8 781	9 061
Sub-total		**51 978**	**45 332**	**59 492**	**10 250**	**10 045**	**10 045**	**1 923**	**10 380**	**10 718**	**11 057**
Less: Capitalisation of inventory consumed											
Total Inventory Consumed	1	**51 978**	**45 332**	**59 492**	**10 250**	**10 045**	**10 045**	**1 923**	**10 380**	**10 718**	**11 057**
Debt Impairment											
Trade and Other Receivables from Exchange Transactions											
Electricity											
Shared Services											
Waste Management											
Waste Water Management		5 542	3 860	5 646	1 000	1 000	1 000	-	1 530	1 580	1 631
Water		24 823	27 510	21 948	3 000	3 000	3 000	-	4 050	4 184	4 318
Non Specific Accounts		13	505	-	-	-	-	-	-	-	-
Total Trade and Other Receivables from Exchange Transactions		**30 378**	**31 875**	**27 594**	**4 000**	**4 000**	**4 000**	**-**	**5 580**	**5 764**	**5 949**

Total Trade and Other Receivables from Exchange Transactions		**30 378**	**31 875**	**27 594**	**4 000**	**4 000**	**4 000**	**-**	**5 580**	**5 764**	**5 949**
Other Receivables from Non-exchange Revenue											
Property Rates											
Property Rates General											
Agricultural Properties											
Business and Commercial Properties											
Industrial Properties											
Mining Properties											
Public Benefit Organisations											
Public Service Infrastructure Properties											
Public Service Purposes Properties											
Residential Properties											
Residential Sectional Title Garages											
Sport Clubs and Fields											
Vacant Land											
Total Property Rates		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Service Charges											
Service Charges General											
Electricity											
Waste Management											
Waste Water Management											
Water											
Total Service Charges		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Non Specific Accounts		(3 642)	(1 063)	3 179	-	-	-	-	-	-	-
Total Other Receivables from Non-exchange Revenue		**(3 642)**	**(1 063)**	**3 179**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Debt Impairment	1	**26 735**	**30 812**	**30 773**	**4 000**	**4 000**	**4 000**	**-**	**5 580**	**5 764**	**5 949**
Depreciation, Amortisation and Impairment											
Amortisation											
Intangible Assets		18	24	18	21	25	25	5	11	11	11
Total Amortisation		**18**	**24**	**18**	**21**	**25**	**25**	**5**	**11**	**11**	**11**
Depreciation											
Biological or Cultivated Assets											
Coastal Infrastructure											
Community Assets		30	1 226	1 210	905	1 210	1 210	1 109	1 210	1 250	1 290
Computer Equipment		2 770	2 791	1 344	1 046	1 699	1 699	1 159	1 273	1 315	1 357
Electrical Infrastructure		28	-	-	39	-	-	-	-	-	-
Furniture and Office Equipment		505	573	556	609	548	548	322	375	387	400
Heritage Assets											
Information and Communication Infrastructure											
Investment Property											
Land											
Libraries											
Living resources											
Machinery and Equipment		722	1 034	1 785	388	507	507	627	694	717	740
Other Assets		2 904	1 608	1 246	1 451	1 752	1 752	1 516	1 953	2 018	2 082
Rail Infrastructure											
Roads Infrastructure		587	-	-	762	-	-	-	-	-	-
Sanitation Infrastructure		2 026	2 674	683	2 371	2 815	2 815	1 218	1 353	1 397	1 442
Solid Waste Infrastructure											
Storm water Infrastructure											
Transport Assets		4 359	3 903	1 961	5 568	4 487	4 487	1 267	1 460	1 508	1 556
Water Supply Infrastructure		86 306	100 436	110 950	81 842	82 065	82 065	101 930	82 671	85 399	88 132
Zoo, Marine and Non-biological Animals											
Total Depreciation		**100 236**	**114 245**	**119 735**	**94 979**	**95 082**	**95 082**	**109 148**	**90 989**	**93 992**	**97 000**

Depreciation, Amortisation and Impairment											
Amortisation											
Intangible Assets		18	24	18	21	25	25	5	11	11	11
Total Amortisation		**18**	**24**	**18**	**21**	**25**	**25**	**5**	**11**	**11**	**11**
Depreciation											
Biological or Cultivated Assets											
Coastal Infrastructure											
Community Assets		30	1 226	1 210	905	1 210	1 210	1 109	1 210	1 250	1 290
Computer Equipment		2 770	2 791	1 344	1 046	1 699	1 699	1 159	1 273	1 315	1 357
Electrical Infrastructure		28	-	-	39	-	-	-	-	-	-
Furniture and Office Equipment		505	573	556	609	548	548	322	375	387	400
Heritage Assets											
Information and Communication Infrastructure											
Investment Property											
Land											
Libraries											
Living resources											
Machinery and Equipment		722	1 034	1 785	388	507	507	627	694	717	740
Other Assets		2 904	1 608	1 246	1 451	1 752	1 752	1 516	1 953	2 018	2 082
Rail Infrastructure											
Roads Infrastructure		587	-	-	762	-	-	-	-	-	-
Sanitation Infrastructure		2 026	2 674	683	2 371	2 815	2 815	1 218	1 353	1 397	1 442
Solid Waste Infrastructure											
Storm water Infrastructure											
Transport Assets		4 359	3 903	1 961	5 568	4 487	4 487	1 267	1 460	1 508	1 556
Water Supply Infrastructure		86 306	100 436	110 950	81 842	82 065	82 065	101 930	82 671	85 399	88 132
Zoo, Marine and Non-biological Animals											
Total Depreciation		**100 236**	**114 245**	**119 735**	**94 979**	**95 082**	**95 082**	**109 148**	**90 989**	**93 992**	**97 000**
Capital Impairment Losses and Reversals											
Biological or Cultivated Assets											
Construction Work-in-progress											
Heritage Assets											
Intangible Assets											
Investment Property											
Living resources											
Contributions to Provisions for landfill sites											
Property, Plant and Equipment											
Coastal Infrastructure											
Community Assets		-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	24	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	2	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	1	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure											
Land											
Machinery and Equipment		-	-	33	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-
Other Assets											
Rails Infrastructure											
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure											
Storm water Infrastructure											
Transport Assets		-	-	937	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-
Zoo, Marine and Non-biological Assets											
Total Property, Plant and Equipment		**-**	**-**	**996**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Capital Impairment Losses and Reversals		**-**	**-**	**996**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Depreciation, Amortisation and Impairment	1	**100 254**	**114 269**	**120 749**	**95 000**	**95 108**	**95 108**	**109 153**	**91 000**	**94 003**	**97 011**
Interest, Dividends and Rent on Land											
Dividends Paid											
Interest Paid		553	8 113	18 115	7 575	7 354	7 354	8 999	7 593	7 844	9 099
Rent on Land											
Total Interest, Dividends and Rent on Land	1	**553**	**8 113**	**18 115**	**7 575**	**7 354**	**7 354**	**8 999**	**7 593**	**7 844**	**9 099**
Contracted Services											
Consultants and Professional Services		22 260	24 939	21 012	12 632	19 584	19 584	14 982	14 802	6 922	6 118
Contractors		148 809	135 310	131 371	60 473	104 129	104 129	91 940	52 187	15 392	15 879
Outsourced Services		192 518	214 697	124 913	14 573	55 468	55 468	89 071	15 249	15 992	23 427
Total Contracted Services	1	**363 587**	**374 946**	**277 295**	**87 677**	**179 181**	**179 181**	**195 993**	**82 238**	**38 306**	**45 423**
Transfers and Subsidies											
Capital											
Allocations In-kind											
Monetary Allocations											
Total Capital		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Operational											
Allocations In-kind		4 683	3 534	9 064	-	3 269	3 269	12 168	-	-	-
Monetary Allocations		-	-	-	-	-	-	-	200	207	213
Total Operational		**4 683**	**3 534**	**9 064**	**-**	**3 269**	**3 269**	**12 168**	**200**	**207**	**213**
Total Transfers and Subsidies	1	**4 683**	**3 534**	**9 064**	**-**	**3 269**	**3 269**	**12 168**	**200**	**207**	**213**
Irrecoverable Debts Written Off											
Bad debt written off											
Exchange											
Electricity											
Non Specific Accounts		-	-	2	-	-	-	-	-	-	-
Waste Management											
Waste Water Management		-	-	374	-	-	-	-	-	-	-
Water		-	-	979	-	-	-	-	-	-	-
Total Exchange		**-**	**-**	**1 355**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Non-exchange											
Non Specific Accounts		2 192	8 134	1 370	-	-	-	-	-	-	-
Property Rates											
Service Charges											
Total Non-exchange		**2 192**	**8 134**	**1 370**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Irrecoverable Debts Written Off	1	**2 192**	**8 134**	**2 724**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Operational Cost and Other Cost										
Operational Cost										
Achievements and Awards	57	-	-	-	-	-	-	-	-	-
Advertising, Publicity and Marketing	6 293	3 685	1 258	-	1 104	1 104	1 869	344	131	131
Assets less than the Capitalisation Threshold	180	200	-	-	-	-	-	-	-	-
Atmospheric Emission Licence										
Bank Charges, Facility and Card Fees	382	677	674	-	344	344	503	396	409	422
Bargaining Council	2 673	2 960	3 182	-	3 337	3 337	3 337	924	954	985
Bond Issue Amortisation Costs										
Brokers Fees										
Bursaries (Employees)	86	160	155	-	-	-	-	-	-	-
Cash Discount	740	3 468	256	-	1 335	1 335	2 010	-	-	-
Cleaning Services	-	61	26	-	-	-	12	-	-	-
Commission	-	-	-	-	-	-	-	-	-	-
Communication	2 685	3 020	4 840	-	731	731	1 323	270	279	288
Contribution to Provisions	-	-	-	-	-	-	-	-	-	-
Copy Right Fees										
Cost relating to the Sale of Houses										
Courier and Delivery Services										
Deeds	(0)	-	-	-	-	-	-	-	-	-
Drivers Licences and Permits										
Dumping Fees (District Council)										
Electricity Compliance Certificate										
Entertainment	139	57	63	28	31	31	33	-	-	-
Entrance Fees	-	-	-	-	-	-	-	-	-	-
Environmental Levy										
Eskom Connection Fees	748	444	33	125	126	126	24 473	-	-	-
External Audit Fees	4 115	4 554	4 098	-	4 490	4 490	4 752	3 000	3 099	3 198
External Computer Service	7 900	8 226	8 437	-	2 070	2 070	1 970	3 000	3 099	3 198
Fines and Penalties	-	-	59 116	-	3 297	3 297	5 783	-	-	-
Firearm Handling Fees										
Freight Services										
Full Time Union Representative										
Hire Charges	26 013	55 323	63 742	1 521	6 725	6 725	11 620	1 560	1 610	1 659
Honoraria (Voluntarily Workers)	130	95	394	-	6 758	6 758	1 939	90	90	90
Indigent Relief										
Insurance Underwriting	2 035	3 211	6 476	-	-	-	3 218	2 504	2 587	2 669
Capitalisation of Wet Fuel Costs (Credit Account)										
Land Alienation Costs										
Learnerships and Internships	-	-	-	-	-	-	-	-	-	-
Levies Paid - Water Resource Management Charges										
Licences	331	284	282	-	-	-	166	300	310	320
Management Fee	4 726	7 104	12 208	671	37 209	37 209	3 510	77	77	77
Municipal Services	66 925	84 779	100 312	21 375	78 586	78 586	99 042	18 500	19 111	19 722
Office Decorations										
Parking Fees										
Permits										
Personnel Agency Fees [Personnel Recruitment Costs]										
Printing, Publications and Books	723	106	28	-	420	420	365	-	-	-
Professional Bodies, Membership and Subscription	33	30	200	100	-	-	-	-	-	-
Registration Fees	110	117	112	-	190	190	100	-	-	-
Remuneration to Section 79 Committee Members										
Repayment of Forfeited Deposits										
Resettlement Cost										
Rewards Incentives										
Road Worthy Test										
Samples and Specimens										
Search Fees										
Seating Allowance for Traditonal Leaders	3	3	-	-	-	-	-	-	-	-
Servitudes and Land Surveys										
Signage	33	150	-	-	-	-	-	-	-	-
Skills Development Fund Levy	2 456	2 694	2 978	96	2 405	2 405	2 667	2 594	2 628	2 712
Small Differences Tolerances	-	-	-	-	-	-	-	-	-	-
Storage of Assets and Goods										
Storage of Files (Archiving)	-	-	-	-	-	-	-	-	-	-
Supplier Development Programme										
System Access and Information Fees										
Taking over Contractual Obligations	-	-	700	-	126	126	379	-	-	-
Toll Gate Fees										
Transport Provided as Part of Departmental Activities	2 392	4 557	4 981	-	2 124	2 124	4 835	400	407	413
Travel Agency and Visas										
Travel and Subsistence	17 158	13 204	9 985	724	6 240	6 240	10 185	1 129	1 155	1 182
Uniform and Protective Clothing	2 278	2 236	-	-	-	-	-	-	-	-
Vehicle Tracking	221	170	189	150	-	-	158	-	-	-
Ward Committees										
Warrantees and Guarantees	186	-	-	-	-	-	-	-	-	-
Wet Fuel	14 734	17 153	20 142	820	13 045	13 045	18 840	3 000	3 099	3 198
Witness Fees										
Workmens Compensation Fund	2 141	1 666	776	-	-	-	-	2 350	2 428	2 505
Total Operational Cost	**168 625**	**220 392**	**305 641**	**25 611**	**170 692**	**170 692**	**203 088**	**40 438**	**41 471**	**42 770**

Disposal of Fixed and Intangible Assets											
Biological Assets											
Heritage Assets		-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-
Investment Property											
Living resources											
Property, Plant and Equipment		679	506	6	-	-	-	-	-	-	-
Total Disposal of Fixed and Intangible Assets	1	**679**	**506**	**6**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other Losses											
Inventory											
Decrease in net-realisable Value		309	-	-	-	-	-	-	-	-	-
Total Inventory		**309**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Water Losses											
Apparent Losses											
Customer Meter Inaccuracies		-	-	-	-	-	-	-	-	-	-
Unauthoried Consumption		-	-	-	-	-	-	-	-	-	-
Total Apparent Losses		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Data Transfer and Management Errors		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Real Losses											
Leakage and Overflows at Storage Tanks/Reservoirs		-	-	-	-	-	-	-	-	-	-
Leakage on Service Connections up to the point of Customer Meter		-	-	-	-	-	-	-	-	-	-
Leakage on Transmission and Distribution Mains		-	-	-	-	-	-	-	-	-	-
Total Real Losses		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Unavoidable Annual Real Losses		-	-	-	-	-	-	-	-	-	-
Total Water Losses		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Fair Value Adjustment											
Actuarial Assessments											
Leave Gratuity		-	-	-	-	-	-	-	-	-	-
Long Service Awards		-	-	272	-	-	-	-	-	-	-
Medical		-	-	-	-	-	-	-	-	-	-
Pension Funds		-	-	-	-	-	-	-	-	-	-
Total Actuarial Assessments		**-**	**-**	**272**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Biological Assets											
Heritage Assets											
Interest rate Swaps											
Investment Property											
Investments											
Living resources											
Total Fair Value Adjustment		**-**	**-**	**272**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Foreign Exchange											
Discontinued Operations and Disposals of Non-current Assets											
Contributions to Provisions for landfill sites											
Total Other Losses	1	**309**	**-**	**272**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Expenditure		**1 021 583**	**1 155 168**	**1 214 957**	**553 766**	**802 992**	**802 992**	**872 589**	**641 952**	**610 682**	**637 088**
Surplus/(Deficit)		**(290 798)**	**(308 396)**	**(446 893)**	**261 472**	**47 197**	**47 197**	**(77 313)**	**228 612**	**302 988**	**299 300**
Transfers and subsidies - capital (monetary allocations)											
Departmental Agencies and Accounts											
District Municipalities											
Foreign Government and International Organisations											
Higher Educational Institutions											
Households											
National Government		607 306	768 386	851 477	916 219	916 219	916 219	726 593	760 484	765 479	824 871
Non-Profit Institutions											
Parent Municipality											
Private Enterprises											
Provincial Governments		3 196	-	-	-	1 446	1 446	1 446	-	-	-
Public Corporations											
Total Transfers and subsidies - capital (monetary allocations)		**610 502**	**768 386**	**851 477**	**916 219**	**917 665**	**917 665**	**728 039**	**760 484**	**765 479**	**824 871**

Transfers and subsidies - capital (monetary allocations)											
Departmental Agencies and Accounts											
District Municipalities											
Foreign Government and International Organisations											
Higher Educational Institutions											
Households											
National Government		607 306	768 386	851 477	916 219	916 219	916 219	726 593	760 484	765 479	824 871
Non-Profit Institutions											
Parent Municipality											
Private Enterprises											
Provincial Governments		3 196	-	-	-	1 446	1 446	1 446	-	-	-
Public Corporations											
Total Transfers and subsidies - capital (monetary allocations)		**610 502**	**768 386**	**851 477**	**916 219**	**917 665**	**917 665**	**728 039**	**760 484**	**765 479**	**824 871**
Transfers and subsidies - capital (in-kind)											
Departmental Agencies and Accounts											
District Municipalities											
Foreign Government and International Organisations											
Higher Educational Institutions											
Households											
Local Municipalities											
National Government											
Non Profit Institutions											
Parent Municipality											
Private Enterprises		-	9	8	-	-	-	39	-	-	-
Provincial Governments		-	-	-	-	-	-	-	-	-	-
Public Corporations											
Total Transfers and subsidies - capital (in-kind)		**-**	**9**	**8**	**-**	**-**	**-**	**39**	**-**	**-**	**-**
Surplus/(Deficit) after capital transfers and contributions		**319 704**	**460 000**	**404 593**	**1 177 691**	**964 861**	**964 861**	**650 765**	**989 096**	**1 068 467**	**1 124 171**
Income Tax											
Continuing Operations											
Discontinued Operations											
Total Income Tax		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Surplus/(Deficit) after income tax		**319 704**	**460 000**	**404 593**	**1 177 691**	**964 861**	**964 861**	**650 765**	**989 096**	**1 068 467**	**1 124 171**
Share of Surplus/Deficit attributable to Joint Venture											
Share of Surplus/Deficit attributable to Minorities											
Surplus/(Deficit) attributable to municipality		**319 704**	**460 000**	**404 593**	**1 177 691**	**964 861**	**964 861**	**650 765**	**989 096**	**1 068 467**	**1 124 171**
Share of Surplus/Deficit attributable to Associate											
Intercompany/Parent-subsidiary Transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		**319 704**	**460 000**	**404 593**	**1 177 691**	**964 861**	**964 861**	**650 765**	**989 096**	**1 068 467**	**1 124 171**
Repairs and Maintenance by Expenditure Item	8										
Employee related costs											
Inventory Consumed (Project Maintenance)		5 621	4 511	3 733	2 500	1 336	1 336	229	1 250	1 291	1 333
Contracted Services		124 119	125 260	122 298	41 589	89 510	89 510	79 256	42 073	15 114	15 768
Operational Costs		18 185	37 551	56 772	1 500	267	267	1 830	1 500	1 550	1 599
Total Repairs and Maintenance Expenditure	9	**147 925**	**167 322**	**182 804**	**45 589**	**91 114**	**91 114**	**81 315**	**44 823**	**17 955**	**18 700**

DC26 Zululand - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 01 - Council	Vote 02 - Corporate Services	Vote 03 - Finance	Vote 04 - Community Development	Vote 05 - Planning & Wsa	Vote 06 - Technical Services	Vote 07 - Water Purification	Vote 08 - Water Distribution	Vote 09 - Waste Water	Vote 10 - .	Vote 11 - .	Vote 12 - ,	Vote 13 - ,	Vote 14 - *	Vote 15 - Other	Total
R thousand	1																
Revenue																	
Exchange Revenue																	
Service charges - Electricity																	–
Service charges - Water									78 508	–							78 508
Service charges - Waste Water Management										21 258							21 258
Service charges - Waste Management																	–
Sale of Goods and Rendering of Services				1 903	–	–											1 903
Agency services																	–
Interest																	–
Interest earned from Receivables				15					868	132							1 015
Interest earned from Current and Non Current Assets				8 000													8 000
Dividends																	–
Rent on Land																	–
Rental from Fixed Assets				195													195
Licence and permits					200	–											200
Special rating levies																	–
Construction Contract Revenue																	–
Development Charges																	–
Operational Revenue			500	10	100												610
Non-Exchange Revenue																	
Property rates																	–
Surcharges and Taxes				–													–
Fines, penalties and forfeits				400	–				–	–							400
Licences or permits																	–
Transfer and subsidies - Operational			700	750 676	1 719	5 379	–		–								758 474
Interest									–	–							–
Fuel Levy																	–
Operational Revenue									–	–							–
Gains on disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–							–
Other Gains				–													–
Discontinued Operations																	–
Total Revenue (excluding capital transfers and contributi		**–**	**1 200**	**761 199**	**2 019**	**5 379**	**–**	**–**	**79 377**	**21 390**	**–**	**–**	**–**	**–**	**–**	**–**	**870 564**
Expenditure																	
Employee related costs		38 975	66 012	40 213	47 609	23 967	1 629	57 697	97 499	10 578							384 180
Remuneration of councillors		14 283															14 283
Bulk purchases - electricity														–			–
Inventory consumed		–	–	500	130	–	–		9 750	–							10 380
Debt impairment		–	–	–	–	–			4 050	1 530							5 580
Depreciation, amortisation and impairment		123	1 544	1 596	326	40	1 302	96	85 972	–							91 000
Interest, Dividends and Rent on Land				7 593					–								7 593
Contracted services		1 058	9 855	2 343	603	49 130	–	–	19 250								82 238
Transfers and subsidies		200	–		–				–								200
Irrecoverable debts written off				–					–	–							–
Operational costs		942	12 562	9 545	1 392	364	12	381	21 233	68							46 498
Disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–							–
Other Losses				–					–								–
Total Expenditure		**55 581**	**89 973**	**61 789**	**50 058**	**73 502**	**2 943**	**58 174**	**237 755**	**12 177**	**–**	**–**	**–**	**–**	**–**	**–**	**641 952**
Surplus/(Deficit)		**(55 581)**	**(88 773)**	**699 410**	**(48 039)**	**(68 123)**	**(2 943)**	**(58 174)**	**(158 378)**	**9 213**	**–**	**–**	**–**	**–**	**–**	**–**	**228 612**
Transfers and subsidies - capital (monetary allocations)			–	–	–	760 484	–		–								760 484
Transfers and subsidies - capital (in-kind)			–	–	–	–			–								–
Surplus/(Deficit) after capital transfers & contributions		**(55 581)**	**(88 773)**	**699 410**	**(48 039)**	**692 361**	**(2 943)**	**(58 174)**	**(158 378)**	**9 213**	**–**	**–**	**–**	**–**	**–**	**–**	**989 096**

DC26 Zululand - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS											
Current Assets											
Cash and Cash Equivalents											
Call Deposits and Investments		–	–	–	–	–	–	70 500	–	–	–
Cash at Bank		27 426	57 070	23 102	479 179	280 362	280 362	5 959	703 573	1 154 575	1 612 751
Cash on Hand		1	1	1	1	1	1	–	1	1	1
Total Cash and Cash Equivalents		**27 427**	**57 071**	**23 103**	**479 180**	**280 363**	**280 363**	**76 459**	**703 573**	**1 154 576**	**1 612 752**
Short term Investments											
Deposit Taking Institutions											
Trade and other receivables from exchange transactions											
Electricity											
Waste Management											
Waste Water Management		42 794	47 491	54 119	64 199	61 964	61 964	5 040	71 795	81 951	92 431
Water		152 780	185 795	215 241	244 045	239 016	239 016	20 098	275 477	313 141	352 011
Other trade receivables from exchange transactions		3 065	30 899	6 732	30 900	6 732	6 732	(2 114)	6 738	6 745	6 751
VAT Receivable Input Tax Accrual		49 886	48 668	82 239	46 915	80 953	80 953	(31 109)	80 953	80 953	80 953
Gross: Trade and other receivables from exchange transactions		**248 526**	**312 853**	**358 331**	**386 059**	**388 665**	**388 665**	**(8 085)**	**434 963**	**482 790**	**532 147**
Less: Impairment for debt											
Impairment for Electricity											
Impairment for Waste Management											
Impairment for Waste Water Management		(41 772)	(46 212)	(52 703)	(49 087)	(53 853)	(53 853)	-	(55 613)	(57 430)	(59 306)
Impairment for Water		(149 306)	(180 861)	(206 027)	(189 486)	(209 477)	(209 477)	-	(214 135)	(218 946)	(223 911)
Impairment for other trade receivalbes from exchange transactions		(1 120)	(596)	(1 231)	(596)	(1 231)	(1 231)	-	(1 231)	(1 231)	(1 231)
Total Less: Impairment for debt		**(192 198)**	**(227 669)**	**(259 961)**	**(239 169)**	**(264 561)**	**(264 561)**	**-**	**(270 978)**	**(277 607)**	**(284 448)**
Total net Trade and other receivables from Exchange Transactions		**56 328**	**85 184**	**98 370**	**146 890**	**124 104**	**124 104**	**(8 085)**	**163 985**	**205 183**	**247 699**
Receivables from non-exchange transactions											
Property rates											
Agricultural Properties											
Business and Commercial Properties											
Industrial Properties											
Mining Properties											
Public Benefit Organisations											
Public Service Infrastructure Properties											
Public Service Purposes Properties											
Residential Properties											
Residential Sectional Title Garages											
Sports Clubs and Fields											
Vacant Land											
Property Rates General											
Gross: Property rates		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Less: Impairment of Property rates											
Net Property rates		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other receivables from non-exchange transactions		131	5 696	4 965	5 696	14 179	14 179	(1 304)	2 264	2 264	2 264
Less:Impairment for other receivables from non-exchange transactions		-	-	(3 953)	-	(13 167)	(13 167)	-	(1 252)	(1 252)	(1 252)
Net other receivables from non-exchange transactions		**131**	**5 696**	**1 012**	**5 696**	**1 012**	**1 012**	**(1 304)**	**1 012**	**1 012**	**1 012**
Total net Receivables from non-exchange transactions		**131**	**5 696**	**1 012**	**5 696**	**1 012**	**1 012**	**(1 304)**	**1 012**	**1 012**	**1 012**
Current Portion of Non-current Receivables											
Associates											
Bursary Obligations		-	-	-	-	-	-	-	-	-	-
Car											
Computer and Electronic Equipment											
Employee Benefits											
Finance Lease Receivable											
Housing											
Housing Land Sales											
Housing Selling Schemes											
Intercompany/Parent-subsidiary Transactions											
Joint Ventures											
Operating Lease		-	-	-	-	-	-	-	-	-	-
Public Organisation											
Sporting and Other Bodies											
Staff Loans/Recoveries											
Subsidiaries											
Total Current Portion of Non-current Receivables		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory											
Agricultural											
Consumables		1 205	2 570	1 287	2 570	1 287	1 287	(324)	1 287	1 287	1 287
Finished Goods											
Housing Stock											
Land											
Materials and Supplies		-	-	-	-	-	-	539	-	-	-
Water		1 631	1 396	1 726	1 396	1 726	1 726	40 794	1 726	1 726	1 726
Work-in-progress											
Total Inventory		**2 836**	**3 966**	**3 013**	**3 966**	**3 013**	**3 013**	**41 010**	**3 013**	**3 013**	**3 013**
VAT Receivable											
Input Tax Capital		(4 366)	2 902	(3 510)	2 902	(3 510)	(3 510)	14 963	(3 510)	(3 510)	(3 510)
Input Tax General		9 559	12 539	15 998	12 363	15 940	15 940	15 084	15 940	15 940	15 940
VAT Control (Receivable)		27 525	2 564	5 867	2 564	5 867	5 867	(5 867)	5 867	5 867	5 867
Total VAT Receivable		**32 718**	**18 005**	**18 355**	**17 829**	**18 297**	**18 297**	**24 180**	**18 297**	**18 297**	**18 297**

Other current assets											
Construction Contracts and Receivables		-	-	-	-	-	-	-	-	-	-
Control, Clearing and Interface Accounts		7 343	10 130	367	4 172	367	367	(279)	367	367	367
Deposits		18 179	19 407	26 293	19 407	26 293	26 293	14 240	26 293	26 293	26 293
Fair Value Adjustments											
Income Tax Receivable											
Operating Lease - Straight Lining		-	5	9	5	9	9	-	9	9	9
Intercompany/Parent-subsidiary Transactions											
Total Other current assets		**25 522**	**29 542**	**26 669**	**23 584**	**26 669**	**26 669**	**13 961**	**26 669**	**26 669**	**26 669**
Total Current Assets		**144 961**	**199 465**	**170 523**	**677 146**	**453 458**	**453 458**	**146 220**	**916 550**	**1 408 751**	**1 909 443**
Non-current Assets											
Investments											
Bank Repurchase Agreements											
Bankers Acceptance Certificate											
Deposit Taking Institutions											
Derivative Financial Assets											
Guaranteed Endowment Policies (Sinking)											
Interest Rate Swaps											
Listed/Unlisted Bonds and Stocks											
Municipal Bonds											
National Government Securities											
Negotiable Certificate of Deposits											
Unamortised Debt Expense											
Unamortised Preference Share Expense											
Total Investments		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Investment Property											
Investment Property at Cost / Fair Value											
Less: Accumulated Depreciation											
Less: Accumulated Impairment											
Total Investment Property		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Property, Plant and Equipment											
Property, Plant and Equipment at Cost / Revaluation		4 500 345	5 122 440	5 630 567	5 865 317	6 390 650	6 390 650	577 300	6 242 601	6 296 288	6 347 933
Leases recognised as Property, Plant and Equipment	3	4 199	4 199	4 710	4 199	4 710	4 710	(28)	4 710	4 710	4 710
Less: Accumulated Depreciation		(823 539)	(956 094)	(1 001 702)	(1 245 528)	(1 096 805)	(1 096 805)	(109 148)	(1 186 495)	(1 280 613)	(1 377 685)
Less: Accumulated Impairment		(3 993)	(3 993)	(4 987)	(3 993)	(4 987)	(4 987)	-	(6 207)	(7 807)	(9 461)
Total Property, Plant and Equipment	**2**	**3 677 012**	**4 166 551**	**4 628 588**	**4 619 995**	**5 293 568**	**5 293 568**	**468 124**	**5 054 609**	**5 012 578**	**4 965 498**
Construction Work-in-progress											
Acquisitions		493 247	660 219	780 722	-	-	-	-	-	-	-
Opening Balance		1 092 996	1 315 353	1 354 926	1 354 926	1 471 040	1 471 040	-	1 471 040	1 471 040	1 471 040
Prior period corrections		-	(501 320)	-	-	-	-	-	-	-	-
Transfer to Heritage asset		-	-	-	-	-	-	-	-	-	-
Transfer to Intangible Assets		-	-	-	-	-	-	-	-	-	-
Transfer to Investment property		-	-	-	-	-	-	-	-	-	-
Transfer to PPE		(270 890)	(119 326)	(664 608)	-	-	-	-	-	-	-
Less: Accumulated Impairment		-	-	-	-	-	-	-	-	-	-
Total Construction Work-in-progress	**2**	**1 315 353**	**1 354 926**	**1 471 040**	**1 354 926**	**1 471 040**	**1 471 040**	**-**	**1 471 040**	**1 471 040**	**1 471 040**
Biological Assets											
Biological Assets at Cost / Fair Value											
Less: Accumulated Depreciation											
Less: Accumulated Impairment											
Total Biological Assets		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Living resources											
Living resources at Cost / Revaluation											
Less: Accumulated Depreciation											
Less: Accumulated Impairment											
Total Living resources		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Heritage Assets											
Heritage Assets at Cost / Revaluation		7 817	7 817	7 817	7 817	7 817	7 817	-	7 817	7 817	7 817
Less: Accumulated Impairment		-	-	-	-	-	-	-	-	-	-
Total Heritage Assets		**7 817**	**7 817**	**7 817**	**7 817**	**7 817**	**7 817**	**-**	**7 817**	**7 817**	**7 817**
Intangible Assets											
Intangible Assets at Cost / Revaluation		238	238	238	238	238	238	-	238	238	238
Less: Accumulated Amortisation		(186)	(210)	(228)	(235)	(233)	(233)	(5)	(323)	(416)	(512)
Less: Accumulated Impairment		-	-	(2)	-	(2)	(2)	-	(2)	(2)	(2)
Total Intangible Assets		**52**	**28**	**8**	**3**	**3**	**3**	**(5)**	**(87)**	**(180)**	**(276)**

Operating Lease Receivable		-	10	1	10	1	1	-	1	1	1
Deposits											
Total Other non-current assets		**-**	**10**	**1**	**10**	**1**	**1**	**-**	**1**	**1**	**1**
Total Non Current Assets		**5 000 233**	**5 529 332**	**6 107 453**	**5 982 751**	**6 772 429**	**6 772 429**	**468 119**	**6 533 380**	**6 491 256**	**6 444 080**
TOTAL ASSETS		**5 145 195**	**5 728 797**	**6 277 976**	**6 659 897**	**7 225 887**	**7 225 887**	**614 340**	**7 449 930**	**7 900 006**	**8 353 523**
Liabilities											
Current Liabilities											
Bank Overdraft											
ABSA											
First National Bank											
Nedbank											
Rand Merchant Bank											
Standard Bank											
Unspecified											
Total Bank Overdraft		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial Liabilities											
Concessionary Loan											
Short-term Borrowings											
Current portion of Finance Lease Liabilities		1 484	1 077	411	606	459	459	(333)	459	459	459
Current portion of Non-current Borrowings		-	17 712	17 492	17 712	17 049	17 049	(8 746)	17 049	17 049	17 049
Current portion of Operating Lease Liabilities		-	-	-	-	-	-	-	-	-	-
Unamortised Premium on Long-term Debts											
Total Financial Liabilities		**1 484**	**18 789**	**17 903**	**18 318**	**17 508**	**17 508**	**(9 079)**	**17 508**	**17 508**	**17 508**
Consumer Deposits											
Building Plans											
Buying Card											
Electricity											
Hiring of Decorative Items											
Library Books											
Posters											
Refuse											
Rental Properties		5	41	38	120	38	38	-	38	38	38
Sewer											
Street Closure											
Valuation Appeal											
Water		3 615	3 340	3 333	3 343	3 333	3 333	10	3 333	3 333	3 333
Wayleave											
Total Consumer Deposits		**3 620**	**3 381**	**3 372**	**3 463**	**3 372**	**3 372**	**10**	**3 372**	**3 372**	**3 372**
Trade and Other Payable Exchange Transactions											
Accrued Interest		-	-	-	-	-	-	-	-	-	-
Advance Payments		3 713	2 115	2 105	2 115	2 105	2 105	(267)	2 105	2 105	2 105
Affiliates, Related Parties and Associated Companies											
Agency Fees Payable											
Auditor-General of South Africa		(92 076)	-	-	-	-	-	-	-	-	-
Bonus		147	4	586	4	586	586	(586)	586	586	586
Compensation Commission (COID)											
Control, Clearing and Interface Accounts		0	(156)	0	-	-	-	(10 239)	-	-	-
Deferred Revenue											
Dividends Declared											
Electricity Bulk Purchase		12 194	11 830	14 294	11 830	14 294	14 294	(3 882)	14 294	14 294	14 294
Fair Value Adjustment											
Intercompany/Parent-subsidiary Transactions											
Leave Accrual		923	110	789	110	789	789	(789)	789	789	789
Long Service Award		128	-	-	-	-	-	-	16 711	16 711	16 711
Municipal Debt Relief		-	-	-	-	-	-	-	-	-	-
Overtime		258	412	450	412	450	450	(450)	450	450	450
Payables and Accruals		483 378	309 942	455 516	244 644	395 420	395 420	(681 450)	395 420	395 420	395 420
PAYE Deductions		-	285	-	285	-	-	-	-	-	-
Pension and Retirement Contributions		156	156	-	-	-	-	-	-	-	-
Retentions		59 432	86 977	119 295	84 977	119 295	119 295	11 335	119 295	119 295	119 295
Standby		318	420	258	420	258	258	(258)	258	258	258
Tender documentation											
Unallocated Deposits		518	475	223	475	223	223	(223)	223	223	223
Water Inventory Bulk Purchases		3 576	91 465	158 943	-	67 478	67 478	(5 247)	31 241	31 241	31 241
VAT Payables Output Tax Accrual		24 893	29 774	34 418	12 406	38 510	38 510	3 337	44 496	50 680	57 061
VAT Payables Output Tax Provision for Doubtful Debt Impairment		(24 278)	(28 937)	(33 075)	(3 380)	(33 675)	(33 675)	-	(34 512)	(35 377)	(36 269)
Total Trade and Other Payable Exchange Transactions	**2, 5**	**473 278**	**504 872**	**753 802**	**354 299**	**605 733**	**605 733**	**(688 718)**	**591 357**	**596 676**	**602 165**

Transfers and Subsidies Unspent											
Capital		1 446	1 446	1 446	1 446	-	-	228 180	-	-	-
Operational		114	(0)	7 773	(0)	(0)	(0)	24 437	(0)	-	-
Total Transfers and Subsidies Unspent		**1 560**	**1 446**	**9 219**	**1 446**	**(0)**	**(0)**	**252 617**	**(0)**	**-**	**-**
VAT Payables Output Tax Accrual		-	-	-	-	-	-	-	-	-	-
VAT Payables Output Tax Provision for Doubtful Debt Impairment		-	-	-	-	-	-	-	-	-	-
Total Trade and Other Payable Non-exchange Transactions	**2**	**1 560**	**1 446**	**9 219**	**1 446**	**(0)**	**(0)**	**252 617**	**(0)**	**-**	**-**
Provision											
Alien Vegetation		1 654	2 007	1 194	2 007	1 194	1 194	-	-	-	-
Bonus		5 745	6 335	6 729	6 335	6 729	6 729	-	6 729	6 729	6 729
Decommissioning, Restoration and Similar Liabilities											
Ex-gratia Pension											
Insurance Claims											
Leave		21 778	25 851	28 853	18 851	21 853	21 853	-	21 853	21 853	21 853
Litigation											
Pension Fund Investment Return Shortfall											
Staff Parity											
Impairment											
Total Provision		**29 177**	**34 193**	**36 776**	**27 193**	**29 776**	**29 776**	**-**	**28 582**	**28 582**	**28 582**
VAT Payable											
VAT Payable: Output Tax		318	699	729	699	729	729	1 080	729	729	729
VAT Payable: VAT Control		-	-	-	-	-	-	-	-	-	-
Total VAT Payable		**318**	**699**	**729**	**699**	**729**	**729**	**1 080**	**729**	**729**	**729**
Other current liabilities											
Employee Benefits											
Post-employment Benefits		500	747	1 161	747	1 161	1 161	-	-	-	-
Other Long-Term Benefits											
Termination Benefits											
Total Employee Benefits		**500**	**747**	**1 161**	**747**	**1 161**	**1 161**	**-**	**-**	**-**	**-**
Deferred Tax Liabilities											
Income Tax Payable											
Intercompany/Parent-subsidiary Transactions											
Total Other current liabilities		**500**	**747**	**1 161**	**747**	**1 161**	**1 161**	**-**	**-**	**-**	**-**
Total Current Liabilities		**509 937**	**564 126**	**822 963**	**406 164**	**658 279**	**658 279**	**(444 089)**	**641 548**	**646 867**	**652 356**
Non-current Liabilities											
Financial Liabilities											
Borrowings											
Annuity and Bullet Loans		-	80 511	74 627	59 498	64 490	64 490	8 926	54 279	44 315	35 603
Bankers Acceptance Certificate											
Concessionary Loan											
Derivative Financial Liability											
Finance Lease Liability		1 202	125	127	(574)	127	127	32	220	316	415
Government Loans											
Intercompany/Parent-subsidiary Transactions											
Local Registered Stock											
Marketable Bonds											
Non-annuity Loans											
Non-marketable Bonds											
PPP Liabilities											
Securities											
Interest Rate Swaps											
Total Borrowings	**4**	**1 202**	**80 636**	**74 754**	**58 924**	**64 618**	**64 618**	**8 957**	**54 499**	**44 631**	**36 018**
Operating Lease Liability		543	783	950	783	950	950	79	950	950	950
Total Financial Liabilities		**1 744**	**81 419**	**75 704**	**59 706**	**65 567**	**65 567**	**9 036**	**55 449**	**45 581**	**36 968**
Provisions											
Alien Vegetation		(1 458)	(2 731)	(1 111)	-	-	-	-	-	-	-
Bonus											
Decommissioning, Restoration and Similar Liabilities											
Ex-gratia Pension		-	-	-	-	-	-	-	-	-	-
Impairment											
Insurance Claims											
Leave											
Litigation											
Pension Fund Investment Return Shortfall											
Staff Parity											
Total Provisions		**(1 458)**	**(2 731)**	**(1 111)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Long term Trade and other Payables											
Bulk Water		-	2 925	-	94 390	91 465	91 465	-	91 465	-	-
Electricity Bulk Purchase		-	-	-	-	-	-	-	-	-	-
Municipal Debt Relief											
Payables and Accruals		-	-	-	48 980	48 980	48 980	-	48 980	48 980	48 980
Total Long term Trade and other Payables		**-**	**2 925**	**-**	**143 370**	**140 445**	**140 445**	**-**	**140 445**	**48 980**	**48 980**
Other non-current liabilities											
Employee Benefits											
Post-employment Benefits		30 426	30 750	34 997	30 750	34 997	34 997	-	36 158	36 158	36 158
Other Long-Term Benefits		14 519	16 051	16 628	20 320	22 517	22 517	-	7 000	7 000	7 000
Termination Benefits											
Total Employee Benefits		**44 945**	**46 801**	**51 625**	**51 070**	**57 514**	**57 514**	**-**	**43 158**	**43 158**	**43 158**
Deferred Tax Liabilities		-	-	-	-	-	-	-	36 236	127 701	127 701
Intercompany/Parent-subsidiary Transactions											
Total Other non-current liabilities		**44 945**	**46 801**	**51 625**	**51 070**	**57 514**	**57 514**	**-**	**79 394**	**170 859**	**170 859**
Total non current liabilities		**45 231**	**128 414**	**126 218**	**254 146**	**263 526**	**263 526**	**9 036**	**275 287**	**265 419**	**256 807**
TOTAL LIABILITIES		**555 169**	**692 540**	**949 180**	**660 310**	**921 805**	**921 805**	**(435 053)**	**916 836**	**912 286**	**909 163**
CHANGES IN NET ASSETS		**4 590 026**	**5 036 258**	**5 328 796**	**5 999 587**	**6 304 082**	**6 304 082**	**1 049 393**	**6 533 094**	**6 987 720**	**7 444 360**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)											
Changes in Accounting Policy		-	-	-	-	-	-	-	-	-	-
Correction of Prior Period Error		(63 581)	(20 709)	(112 054)	-	-	-	-	-	-	-
Depreciation Offsets		-	-	-	-	-	-	-	-	-	-
Opening Balance		4 340 844	4 596 967	5 036 258	4 821 896	5 338 520	5 338 520	-	5 543 999	5 919 252	6 320 189
Transfers to/from operating revenue and expenditure		320 719	470 893	720 033	-	587	587	699 752	-	-	-
Transfers to/from Reserves		-	-	-	-	-	-	-	-	-	-
Total Accumulated Surplus/(Deficit)	**1**	**4 597 982**	**5 047 151**	**5 644 236**	**4 821 896**	**5 339 107**	**5 339 107**	**699 752**	**5 543 999**	**5 919 252**	**6 320 189**

DC26 Zululand - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	MTDP Service Outcome	IUDF	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
SPACIAL PLANNING AND ENVIRONMENTAL MANAGEMENT	Responsive; accountable; effective and efficient local government	Governance		–	–	–	–	–	–	–	–	–
DEMOCRACY AND GOOD GOVERNANCE	Responsive; accountable; effective and efficient local government	Governance		61 142	104 914	2 240	1 731	13 538	13 538	1 200	1 317	1 533
DEMOCRACY AND GOOD GOVERNANCE	Sustainable human settlements and improved quality of household life	Governance		8	680	–	–	–	–	–	–	–
FINANCIAL VIABILITY AND MANAGEMENT	Responsive; accountable; effective and efficient local government	Governance		597 389	650 037	681 640	721 492	720 570	720 570	761 199	802 233	822 393
FINANCIAL VIABILITY AND MANAGEMENT	Sustainable human settlements and improved quality of household life	Governance		7 271	5 704	1 706	–	–	–	–	–	–
LOCAL ECONMOMIC AND SOCIAL DEVELOPMENT	Responsive; accountable; effective and efficient local government	Governance		2 235	2 169	2 578	1 719	40 671	40 671	1 719	1 719	1 719
LOCAL ECONMOMIC AND SOCIAL DEVELOPMENT	Sustainable human settlements and improved quality of household life	Governance		–	–	–	–	–	–	–	–	–
BASIC SERVICE DELIVERY AND INFRASTRUCTURE	A comprehensive; responsive and sustainable social protection system	Inclusion and Access		(4 710)	348	36	(5 063)	–	–	(5 847)	(6 039)	(6 233)
BASIC SERVICE DELIVERY AND INFRASTRUCTURE	Responsive; accountable; effective and efficient local government	Governance		67 451	82 920	79 865	95 359	75 409	75 409	112 292	114 441	116 975
BASIC SERVICE DELIVERY AND INFRASTRUCTURE	Sustainable human settlements and improved quality of household life	Governance		–	–	–	–	–	–	–	–	–
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	**730 785**	**846 773**	**768 065**	**815 238**	**850 188**	**850 188**	**870 564**	**913 671**	**936 388**

DC26 Zululand - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	MTDP Service Outcome	IUDF	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
*	Sustainable human settlements and improved quality of household life	Governance		–	–	–	–	–	–	–	–	–
SPACIAL PLANNING AND ENVIRONMENTAL MANAGEMENT		Governance		–	–	–	–	–	–	–	–	–
SPACIAL PLANNING AND ENVIRONMENTAL MANAGEMENT	A comprehensive; responsive and sustainable social protection system	Governance		779	545	48	–	2 269	2 269	–	–	–
SPACIAL PLANNING AND ENVIRONMENTAL MANAGEMENT	Responsive; accountable; effective and efficient local government	Governance		–	–	–	–	–	–	–	–	–
SPACIAL PLANNING AND ENVIRONMENTAL MANAGEMENT	Sustainable human settlements and improved quality of household life	Governance		5 277	0	21	5	5	5	1	1	1
DEMOCRACY AND GOOD GOVERNANCE		Governance		4 758	5 508	11 289	–	5 279	5 279	1 000	1 033	1 066
DEMOCRACY AND GOOD GOVERNANCE	A comprehensive; responsive and sustainable social protection system	Governance		–	–	–	–	–	–	–	–	–
DEMOCRACY AND GOOD GOVERNANCE	A comprehensive; responsive and sustainable social protection system	Inclusion and Access		59 320	100 634	–	–	12 200	12 200	–	–	–
DEMOCRACY AND GOOD GOVERNANCE	A skilled and capable workforce to support an inclusive growth path	Governance		1 201	2 471	986	–	521	521	–	–	–
DEMOCRACY AND GOOD GOVERNANCE	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access		–	1 739	435	–	415	415	700	800	1 000
DEMOCRACY AND GOOD GOVERNANCE	An efficient; effective and development-oriented public service	Governance		498	978	62	–	–	–	–	–	–
DEMOCRACY AND GOOD GOVERNANCE	An efficient; effective and development-oriented public service	Inclusion and Access		10 758	12 228	8 646	27	15 587	15 587	80	82	85
DEMOCRACY AND GOOD GOVERNANCE	Protect and enhance our environmental assets and natural resources	Spatial Integration		–	–	–	–	–	–	–	–	–
DEMOCRACY AND GOOD GOVERNANCE	Responsive; accountable; effective and efficient local government	Governance		3 213	2 060	624	–	–	–	–	–	–
DEMOCRACY AND GOOD GOVERNANCE	Responsive; accountable; effective and efficient local government	Inclusion and Access		664	558	39	–	10	10	–	–	–
DEMOCRACY AND GOOD GOVERNANCE	Sustainable human settlements and improved quality of household life	Governance		199 717	269 195	361 469	178 581	236 720	236 720	220 240	227 508	241 504
DEMOCRACY AND GOOD GOVERNANCE	Sustainable human settlements and improved quality of household life	Inclusion and Access		11 519	20 828	31 162	–	41 110	41 110	–	–	–
FINANCIAL VIABILITY AND MANAGEMENT		Governance		–	–	–	–	–	–	–	–	–
FINANCIAL VIABILITY AND MANAGEMENT	A comprehensive; responsive and sustainable social protection system	Governance		–	–	–	–	–	–	–	–	–
FINANCIAL VIABILITY AND MANAGEMENT	A skilled and capable workforce to support an inclusive growth path	Governance		320	169	54	351	244	244	–	103	110
FINANCIAL VIABILITY AND MANAGEMENT	An efficient; effective and development-oriented public service	Governance		–	–	–	–	–	–	–	–	–
FINANCIAL VIABILITY AND MANAGEMENT	Responsive; accountable; effective and efficient local government	Governance		880	661	797	881	968	968	1 178	1 097	1 240
FINANCIAL VIABILITY AND MANAGEMENT	Sustainable human settlements and improved quality of household life	Governance		71 142	54 648	49 967	19 144	31 626	31 626	27 186	28 151	30 093
FINANCIAL VIABILITY AND MANAGEMENT	Sustainable human settlements and improved quality of household life	Inclusion and Access		48	20	–	–	–	–	–	–	–
LOCAL ECONMOMIC AND SOCIAL DEVELOPMENT		Governance		–	–	–	–	–	–	–	–	–
LOCAL ECONMOMIC AND SOCIAL DEVELOPMENT	A comprehensive; responsive and sustainable social protection system	Governance		–	–	–	–	2	2	–	–	–
LOCAL ECONMOMIC AND SOCIAL DEVELOPMENT	A comprehensive; responsive and sustainable social protection system	Inclusion and Access		4	–	–	–	6	6	–	–	–
LOCAL ECONMOMIC AND SOCIAL DEVELOPMENT	A long and healthy life for all South Africans	Inclusion and Access		19	3	–	–	1 901	1 901	–	–	–
LOCAL ECONMOMIC AND SOCIAL DEVELOPMENT	A skilled and capable workforce to support an inclusive growth path	Governance		142	–	–	–	–	–	–	–	–
LOCAL ECONMOMIC AND SOCIAL DEVELOPMENT	All people in South Africa are and feel safe	Inclusion and Access		–	601	–	–	–	–	–	–	–
LOCAL ECONMOMIC AND SOCIAL DEVELOPMENT	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access		–	–	1 704	–	37 125	37 125	–	–	–
LOCAL ECONMOMIC AND SOCIAL DEVELOPMENT	An efficient; effective and development-oriented public service	Governance		40	–	–	200	200	200	110	110	110
LOCAL ECONMOMIC AND SOCIAL DEVELOPMENT	An efficient; effective and development-oriented public service	Growth		101	40	–	–	–	–	–	–	–
LOCAL ECONMOMIC AND SOCIAL DEVELOPMENT	An efficient; effective and development-oriented public service	Inclusion and Access		7 021	4 290	4 742	741	1 425	1 425	815	815	815
LOCAL ECONMOMIC AND SOCIAL DEVELOPMENT	An efficient; effective and development-oriented public service	Spatial Integration		2 944	7 044	176	–	–	–	200	207	213
LOCAL ECONMOMIC AND SOCIAL DEVELOPMENT	Responsive; accountable; effective and efficient local government	Governance		248	884	148	200	255	255	155	155	155
LOCAL ECONMOMIC AND SOCIAL DEVELOPMENT	Responsive; accountable; effective and efficient local government	Inclusion and Access		–	–	–	–	–	–	–	–	–
LOCAL ECONMOMIC AND SOCIAL DEVELOPMENT	Sustainable human settlements and improved quality of household life	Governance		30 381	42 779	45 765	35 884	37 649	37 649	43 023	44 425	45 829
LOCAL ECONMOMIC AND SOCIAL DEVELOPMENT	Sustainable human settlements and improved quality of household life	Inclusion and Access		1 124	16	3 648	–	208	208	–	–	–
BASIC SERVICE DELIVERY AND INFRASTRUCTURE		Governance		–	–	–	–	–	–	–	–	–
BASIC SERVICE DELIVERY AND INFRASTRUCTURE	A comprehensive; responsive and sustainable social protection system	Governance		–	–	–	–	–	–	–	–	–
BASIC SERVICE DELIVERY AND INFRASTRUCTURE	A comprehensive; responsive and sustainable social protection system	Inclusion and Access		–	–	–	–	–	–	–	4 000	3 000
BASIC SERVICE DELIVERY AND INFRASTRUCTURE	A long and healthy life for all South Africans	Inclusion and Access		–	–	–	–	–	–	–	–	–
BASIC SERVICE DELIVERY AND INFRASTRUCTURE	An efficient; competitive and responsive economic infrastructure network	Growth		21 777	–	–	18 838	14 428	14 428	9 769	–	–
BASIC SERVICE DELIVERY AND INFRASTRUCTURE	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access		142 087	159 097	169 313	45 389	48 094	48 094	43 013	16 012	16 524
BASIC SERVICE DELIVERY AND INFRASTRUCTURE	An efficient; effective and development-oriented public service	Governance		542	–	–	–	–	–	–	–	–
BASIC SERVICE DELIVERY AND INFRASTRUCTURE	An efficient; effective and development-oriented public service	Inclusion and Access		8 532	7 077	12 913	6 406	6 486	6 486	6 047	691	713
BASIC SERVICE DELIVERY AND INFRASTRUCTURE	An efficient; effective and development-oriented public service	Spatial Integration		2 211	2 582	1 618	–	–	–	–	–	–
BASIC SERVICE DELIVERY AND INFRASTRUCTURE	Protect and enhance our environmental assets and natural resources	Spatial Integration		–	28	22	–	–	–	–	–	–
BASIC SERVICE DELIVERY AND INFRASTRUCTURE	Responsive; accountable; effective and efficient local government	Spatial Integration		1 501	54	795	–	89	89	–	–	–
BASIC SERVICE DELIVERY AND INFRASTRUCTURE	Sustainable human settlements and improved quality of household life	Governance		432 816	458 431	508 515	247 119	308 170	308 170	288 435	285 493	294 629
BASIC SERVICE DELIVERY AND INFRASTRUCTURE	Sustainable human settlements and improved quality of household life	Inclusion and Access		–	–	–	–	–	–	–	–	–
Allocations to other priorities												
Total Expenditure			1	**1 021 583**	**1 155 168**	**1 214 957**	**553 766**	**802 992**	**802 992**	**641 952**	**610 682**	**637 088**

DC26 Zululand - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	MTDP Service Outcome	IUDF	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
SPACIAL PLANNING AND ENVIRONMENTAL MANAGEMENT	An efficient, effective and development-oriented public service	Growth		–	–	–	–	–	–	–	–	–
DEMOCRACY AND GOOD GOVERNANCE		Growth		19	1 075	–	–	–	–	–	–	–
DEMOCRACY AND GOOD GOVERNANCE		Spatial Integration		–	–	–	–	–	–	–	–	–
DEMOCRACY AND GOOD GOVERNANCE	An efficient, competitive and responsive economic infrastructure network	Growth		–	–	–	–	–	–	–	–	–
DEMOCRACY AND GOOD GOVERNANCE	An efficient, effective and development-oriented public service	Growth		1 460	818	548	–	–	–	–	–	–
DEMOCRACY AND GOOD GOVERNANCE	Create a better South Africa and contribute to a better Africa and a better world	Growth		–	–	–	–	–	–	–	–	–
FINANCIAL VIABILITY AND MANAGEMENT		Governance		191	–	–	–	–	–	–	–	–
FINANCIAL VIABILITY AND MANAGEMENT		Growth		40	–	–	–	–	–	–	–	–
FINANCIAL VIABILITY AND MANAGEMENT	An efficient, competitive and responsive economic infrastructure network	Growth		–	–	–	–	–	–	–	–	–
FINANCIAL VIABILITY AND MANAGEMENT	An efficient, effective and development-oriented public service	Growth		1 834	70	164	–	–	–	–	–	–
LOCAL ECONMOMIC AND SOCIAL DEVELOPMENT		Growth		1 551	277	–	87	174	174	87	87	87
LOCAL ECONMOMIC AND SOCIAL DEVELOPMENT	A long and healthy life for all South Africans	Growth		–	–	–	–	–	–	–	–	–
LOCAL ECONMOMIC AND SOCIAL DEVELOPMENT	An efficient, effective and development-oriented public service	Growth		1 726	9	–	–	–	–	–	–	–
BASIC SERVICE DELIVERY AND INFRASTRUCTURE		Growth		–	–	48 200	–	6 673	6 673	–	–	–
BASIC SERVICE DELIVERY AND INFRASTRUCTURE	An efficient, competitive and responsive economic infrastructure network	Growth		491 521	660 219	732 522	742 790	753 236	753 236	611 947	665 634	717 279
BASIC SERVICE DELIVERY AND INFRASTRUCTURE	An efficient, effective and development-oriented public service	Growth		–	75	61	–	–	–	–	–	–
Allocations to other priorities			3									
Total Capital Expenditure			1	**498 342**	**662 543**	**781 494**	**742 877**	**760 083**	**760 083**	**612 034**	**665 721**	**717 366**

DC26 Zululand - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
05 - Planning & Wsa										
Water Management										
Water Distribution										
Formal Settlement Households Receiving Water	Households	12 800	12 800	12 800	14 080	14 080	14 080	14 728	16 200	17 820
Informal Settlements (R000)	Rand Value									
Agreement (R000)	Rand Value									
Other (R000)	Rand Value							5580 000	5764 140	5948 592
Other Households Receiving Water	Households									
Other Water Supply (< Min.Service Level)	Households									
Level)	Households	7 630	8 012	8 200	9 020	9 020	9 020	9 462	10 408	11 448
Piped Water Inside Dwelling	Households									
Dwelling)	Households	10 840	9 756	9 200	10 120	10 120	10 120	10 616	11 678	12 845
09 - Waste Water										
Waste Water Management										
Sewerage										
Flush Toilet (Connected To Sewerage)	Households									
Other Toilet Provisions (< Min.Service Level)	Households	6 320	6 320	6 190	6 809	6 809	6 809	6 396	6 809	7 489
Other Toilet Provisions (> Min.Service Level)	Households									

DC26 Zululand - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Borrowing Management											
Credit Rating					0	0	0	0			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.2%	1.6%	3.0%	4.6%	3.1%	3.1%	2.1%	3.9%	4.2%	4.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.3%	2.2%	4.8%	3.1%	2.9%	2.9%	2.3%	2.9%	2.8%	2.9%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	5093.9%	66.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	0.3	0.4	0.2	1.7	0.7	0.7	(0.3)	1.4	2.2	2.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.3	0.4	0.2	1.7	0.7	0.7	(0.3)	1.4	2.2	2.9
Liquidity Ratio	Monetary Assets/Current Liabilities	0.2	0.3	0.1	1.5	0.6	0.6	(0.2)	1.4	2.1	2.9
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	48.6%	42.9%	57.7%	70.2%	73.0%	73.0%	61.1%	69.4%	69.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		48.6%	42.9%	57.7%	70.2%	73.0%	73.0%	61.1%	69.4%	69.4%	69.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	4.9%	3.3%	2.9%	3.4%	2.6%	2.6%	8.0%	2.6%	2.4%	2.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA's 65(e))	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors to Cash and Investments		32.6%	20.3%	35.6%	96.3%	359.0%	359.0%	-50.0%	96.7%	62.0%	45.8%
Other Indicators											
	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Bulk Purchase										
Water Volumes :System input	Water treatment works										
	Natural sources										
	Total Volume Losses (kℓ)										
		–	–	–	–	–	–	–	–	–	–
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)		0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	39.2%	37.2%	44.7%	37.0%	35.5%	35.5%	38.2%	44.1%	42.8%	43.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	40.4%	38.4%	46.1%	38.5%	36.9%	36.9%	50.1%	45.8%	44.4%	44.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	20.2%	19.8%	23.8%	5.6%	10.7%	10.7%	5.6%	5.1%	2.0%	2.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	13.8%	14.5%	18.1%	12.6%	12.1%	12.1%	14.9%	11.3%	11.1%	11.3%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	25.2	35.0	29.3	34.1	35.6	64.1	30.2	32.7	34.0	34.8
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	64.4%	36.6%	30.2%	33.0%	32.0%	32.0%	104.3%	22.0%	21.3%	20.6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	12.1	18.7	16.9	3.9	1.5	1.5	12.4	5.8	9.2	12.1

DC26 Zululand - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Allowances and Service Related Benefits										
Basic Salary		–	–	–	–	–	–	–	–	–
Cell phone Allowance		681	859	781	778	778	778	691	714	737
Housing Allowance		360	180	–	–	–	–	–	–	–
In-kind Benefits		–	–	–	–	–	–	–	–	–
Market Related Non-pensionable Allowance		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		1 889	2 224	2 322	2 257	2 257	2 257	2 147	2 218	2 289
Office-bearer Allowance		5 782	6 525	6 789	8 605	8 605	8 605	10 770	11 125	11 481
Out of pocket Expenses		–	–	–	–	–	–	–	–	–
Travelling Allowance		–	17	–	–	–	–	–	–	–
Use of Personal Facilities		–	–	–	–	–	–	–	–	–
Total Allowances and Service Related Benefits		**8 713**	**9 804**	**9 892**	**11 640**	**11 640**	**11 640**	**13 608**	**14 057**	**14 506**
Social Contributions										
Medial Aid Benefits		54	41	58	–	–	–	68	71	73
Pension Fund Contributions		509	517	588	–	–	–	607	628	648
Total Social Contributions		**563**	**558**	**646**	**-**	**-**	**-**	**676**	**698**	**721**
Total Councillors		**9 276**	**10 362**	**10 539**	**11 640**	**11 640**	**11 640**	**14 283**	**14 755**	**15 227**
% increase	4		**11.7%**	**1.7%**	**10.4%**	**–**	**–**	**22.7%**	**3.3%**	**3.2%**
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		6 237	8 273	7 612	7 986	7 986	7 986	8 034	8 300	8 565
Bonuses		650	707	628	381	381	381	386	399	411
Allowance										
Accommodation, Travel and Incidental		–	–	6	–	–	–	–	–	–
Cellular and Telephone	3	257	296	284	277	277	277	277	286	295
Housing Benefits	3	13	13	13	14	14	14	15	15	16
Non-pensionable		308	441	256	248	248	248	255	263	272
Travel or Motor Vehicle	3	1 640	2 051	1 981	1 934	1 934	1 934	1 934	1 998	2 062
Voluntary Work		–	–	–	–	–	–	–	–	–
Total Allowance		**2 219**	**2 801**	**2 540**	**2 473**	**2 473**	**2 473**	**2 480**	**2 562**	**2 644**
Service Related Benefits										
Acting	3	97	41	20	–	–	–	–	–	–
Bonus	3									
Danger Allowance	3									
Entertainment	3	–	–	–	–	–	–	–	–	–
Fire Brigade										
In-kind Benefits	3	–	–	–	–	–	–	–	–	–
Leave Pay	3	374	255	–	–	–	–	–	–	–
Lifeguard/Duty Squads										
Long Service Award		132	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Scarcity	3	–	–	–	–	–	–	–	–	–
Standby Allowance	3									
Tools Allowance	3									
Uniform/Special/Protective Clothing	3									
Leave gratuity										
Long Term Service Award										
Total Service Related Benefits		**603**	**296**	**20**	**-**	**-**	**-**	**-**	**-**	**-**
Total Salaries and Allowances		**9 709**	**12 078**	**10 799**	**10 840**	**10 840**	**10 840**	**10 900**	**11 260**	**11 620**
Social Contributions										
Bargaining Council		1	1	1	1	1	1	1	1	1
Group Life Insurance		–	–	–	–	–	–	–	–	–
Medical		59	117	97	71	71	71	71	74	76
Pension		162	339	260	196	196	196	256	265	273
Unemployment Insurance		14	16	15	80	80	80	80	83	86
Total Social Contributions		**236**	**473**	**373**	**348**	**348**	**348**	**409**	**422**	**436**
Post-retirement Benefit	6									
Medical										
Other Benefits										
Pension										
Total Post-retirement Benefit		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Costs Capitalised to PPE										
Sub Total - Senior Managers of Municipality		**9 945**	**12 551**	**11 173**	**11 188**	**11 188**	**11 188**	**11 309**	**11 682**	**12 056**
% increase	4		**26.2%**	**(11.0%)**	**0.1%**	**–**	**–**	**1.1%**	**3.3%**	**3.2%**
Other Municipal Staff										
Salaries and Allowances										
Basic Salary		184 934	201 042	217 141	193 530	193 614	193 614	251 373	254 270	262 407
Bonuses		–	–	–	–	–	–	–	–	–
Allowance										
Accommodation, Travel and Incidental		–	–	–	–	–	–	–	–	–
Cellular and Telephone	3	740	801	861	827	827	827	927	958	988
Housing Benefits	3	1 669	1 699	1 750	1 772	1 772	1 772	1 838	1 899	1 960
Non-pensionable		37	21	892	37	37	37	–	–	–
Travel or Motor Vehicle	3	10 357	11 436	23 937	22 652	22 652	22 652	29 141	30 102	31 065
Voluntary Work										
Total Allowance		**12 803**	**13 958**	**27 440**	**25 288**	**25 288**	**25 288**	**31 906**	**32 959**	**34 013**
Service Related Benefits										
Acting	3	1 191	562	961	–	–	–	–	–	–
Bonus	3	12 696	13 868	14 860	15 389	15 389	15 389	17 862	18 452	19 042
Danger Allowance	3									
Entertainment	3	–	–	–	–	–	–	–	–	–
Fire Brigade		12	12	10	–	–	–	789	815	841
In-kind Benefits	3	–	–	–	–	–	–	–	–	–
Leave Pay	3	5 523	6 307	5 645	–	–	–	–	–	–
Lifeguard/Duty Squads										
Long Service Award		3 358	3 289	1 961	–	–	–	–	–	–
Overtime		6 703	8 782	10 127	5 314	5 314	5 314	6 016	6 215	6 414
Scarcity	3	–	–	–	–	–	–	–	–	–
Standby Allowance	3	3 848	5 234	2 783	–	–	–	2 586	2 672	2 757
Tools Allowance	3	–	–	–	–	–	–	–	–	–
Uniform/Special/Protective Clothing	3	–	–	–	–	–	–	–	–	–
Leave gratuity										
Long Term Service Award										
Total Service Related Benefits		**33 333**	**38 054**	**36 348**	**20 703**	**20 703**	**20 703**	**27 254**	**28 153**	**29 054**
Total Salaries and Allowances		**231 070**	**253 054**	**280 929**	**239 521**	**239 606**	**239 606**	**310 533**	**315 382**	**325 474**
Social Contributions										
Bargaining Council		167	198	213	118	118	118	245	203	209
Group Life Insurance		–	–	–	–	–	–	–	–	–
Medical		14 860	16 898	18 984	19 155	19 155	19 155	23 293	24 062	24 832
Pension		23 326	25 401	28 459	30 038	30 038	30 038	36 286	37 484	38 683
Unemployment Insurance		1 531	1 614	1 692	1 993	1 994	1 994	2 514	2 543	2 624
Total Social Contributions		**39 885**	**44 111**	**49 348**	**51 304**	**51 305**	**51 305**	**62 338**	**64 291**	**66 348**
Post-retirement Benefit	6									
Medical		5 393	5 352	1 899	–	–	–	–	–	–
Other Benefits		–	–	–	–	–	–	–	–	–
Pension		–	–	–	–	–	–	–	–	–
Total Post-retirement Benefit		**5 393**	**5 352**	**1 899**	**-**	**-**	**-**	**-**	**-**	**-**
Costs Capitalised to PPE										
Sub Total - Other Municipal Staff		**276 347**	**302 517**	**332 176**	**290 825**	**290 910**	**290 910**	**372 871**	**379 673**	**391 822**
% increase	4		**9.5%**	**9.8%**	**(12.4%)**	**0.0%**	**–**	**28.2%**	**1.8%**	**3.2%**
Total Parent Municipality		**295 569**	**325 430**	**353 888**	**313 653**	**313 738**	**313 738**	**398 463**	**406 110**	**419 105**

2.17 ANNUAL BUDGETS OF MUNICIPAL ENTITIES ATTACHED TO THE MUNICIPALITIES ANNUAL BUDGET

The Municipality is in the process of resuscitating the entity

2.18 MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I S.P. Mosia of Zululand District Municipality, hereby certify that the annual Budget has been prepared in accordance with the Municipal Finance Management Act, and the regulations made under the Act.

Date: 27 May 2026

S.P. Mosia
Acting Municipal Manager
Zululand District Municipality (DC26)